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INTERNAL MARKET

Machinery Directive (MD)

Discussions on the Machinery Products Regulation file have progressed at a rapid pace in the last few months.

On 20 October, the [draft report](#) of the rapporteur in the European Parliament's Internal Market Committee was issued, followed by a discussion of the report in an IMCO debate on 28 October. The rapporteur mainly focused on: proposing new definitions (for machinery products, lifecycle, technical documentation etc.); restoring the option of self-assessment for so-called high-risk machinery (listed in Annex I); introducing stricter conditions for the development of technical specifications in the absence of harmonised standards; providing further flexibility regarding the format of technical documentation (digital or paper); and amending transitional provisions (for instance, extending the deadlines for the repeal of the current Machinery Directive and for the implementation of the future Regulation).

Further to the deadline for [amendments](#) to the Machinery proposal set on 9 November, IMCO held another debate on 1 December, to discuss the amendments that had been tabled. This gave an opportunity to the rapporteur and shadow rapporteurs to voice their concerns and priority issues for the upcoming negotiations. The rapporteur emphasised that the next discussions are likely to address the following topics: the scope (e.g. issue of inclusion/exclusion of e-bikes), software with a safety function and machines embedding AI systems with a safety function; terminology for 'high-risk' machinery and required conformity assessment procedure, exclusion of partly completed machinery for certain provisions, cybersecurity provisions, digital documentation. He pointed out that so far, there has been relatively broad consensus to support the rapporteur's amendment keeping self-assessment as one of the possible conformity assessment options for machinery in Annex I, and also to allow digital means for documentation (instructions, declaration of conformity).

In terms of next steps in the European Parliament, the first technical meeting with the shadow rapporteurs to develop the first draft compromise amendments will be held early January 2022, with the aim of finalising them in February (the next IMCO

meeting is scheduled on 28 February). The vote in IMCO will then take place on 16 March.

On the Council side, the former Slovenian Presidency prepared a [progress report](#) on the discussions held in the Working Party on Technical Harmonisation, which was presented to the Competitiveness Council on 25 November. The key issues raised by Member States in the Working Party meetings relate to: the terminology of machinery products (preference to use 'machinery'), exclusion of vehicles which have as their only objective the transport of goods or persons by public road, air, water or rail network except for machinery mounted on those vehicles from the scope of the future regulation (preference to keep e-bikes and e-scooters in the scope), Commission's empowerment to elaborate technical specifications when standards are not available (general agreement to strengthen the wording so that these specifications are applied as a final resort and under very specific circumstances), third party conformity assessment and Annex I list of high-risk machinery (mixed opinions, some Member States preferring the status quo as prescribed in the Machinery Directive, while others believe Annex I should be considerably adapted). On 1 January 2022, France took over the rotating Council Presidency. A first Council compromise text is expected in due course.



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Construction Products Regulation (CPR)

CPR review

The European Commission continues working on its legislative proposal to revise the Construction Products Regulation (CPR). The final steps will be completed in the next months as the proposal is now expected to be published in March or April 2022. It is likely to be part of the upcoming Circular Economy package.

As a reminder, the European Commission released the study report on the impact assessment, written by external consultancies, in the autumn 2021. While this document has not yet been published on the [Commission's webpage](#) dedicated to the CPR review, it is available [here](#) (annexes are also available [here](#)).

In parallel, in December 2021, the European Commission published different scenarios for the transition pathway for a new construction ecosystem. Built on the updated EU Industrial Strategy and the High-Level Construction Forum in October

2021, the Commission [staff working document](#) outlines possible transition pathways for a more resilient, green and digital construction ecosystem. Stakeholders are invited to share their view and reply to the consultation by 28 February 2022 ([here](#)).

CPR implementation

The European Commission published new references of European Assessment Documents (EADs) in the Official Journal in October 2021 ([Implementing Decision \(EU\) 2021/1789](#)). These European Assessment Documents enable manufacturers to issue the declaration of performance and CE mark flexible sprinkler hose with end fittings and other construction products.



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ATEX Directive

The European Commission published a [Commission Implementing Decision \(EU\) 2021/1403](#) to amend Annex I of the Implementing Decision (EU) 2019/1202 on harmonised standards for light offshore cranes. The amendment of Annex I consists of the inclusion of the reference of harmonised standard EN 13852-3:2021 which gives the presumption of conformity to the ATEX Directive 2014/34/EU.



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Pressure Equipment Directive (PED)

A [Commission Implementing Decision \(EU\) 2021/2272](#) amending Implementing Decision (EU) 2019/1616 concerning harmonised standards in the framework of the Pressure Equipment Directive was published in the EU Official Journal on 21 December (L 457/10). The updated list of harmonised standards concerns seamless and welded stainless steel tubes, steel forgings for pressure purposes at high temperature and with high proof strength, unfired pressure vessels and vehicle fuelling appliances for natural gas vehicles.

During the last Machinery Expert Group meeting on 10 November, an update on the discussions related to the PED Guideline C-13 was provided by the European

Commission. They received various positions from national authorities (FR, DE, DK, SE, ES, BG, CZ, FI, CH), market surveillance authorities and industry representatives (including Orgalim). No information on accidents was provided. The industry contributions focused on examples of the affected equipment negative impact of conformity assessment process if global conformity assessment was to involve a PED Notified Body compared to the current practice of self-assessment by the machinery manufacturer. The Commission however specified that, in order to make a more accurate assessment of the situation, they had previously requested to get more detailed information on the technical characteristics of the affected equipment, which they did not receive. This information would be useful to determine whether the exclusion of PED Article 1 §2(j) could be applied and whether notes 1 and 2 of PED Guideline C-13 are overstressing this article.

As a way forward, the Commission proposed three options that stakeholders were invited to comment on by the end of January 2021. The first option is the initial suggestion from ADCO PED to delete notes 1 and 2 from PED Guideline C-13. The second option would also involve the deletion of notes 1 and 2 from PED Guideline C-13 but at the same time, the drafting of a new Guideline specifically addressing global conformity assessment for machinery including items of pressure equipment higher than Category I under PED. This option would require ensuring coherence with PED Article 1 §2 j) exclusion for machinery. The third option consists in the modification of the proposed Machinery Regulation, aiming at a single conformity assessment under the Machinery legal framework, including global conformity assessment related to both the integration of items of pressure equipment in machinery, and the protection against exceeding permissible operating limits (pressure). Under this option, the intervention of a third party (Notified Body under the machinery legislation) would only be required for high-risk machinery products integrating pressure items higher than category 1 under the PED.

Based on the input received, the Commission services will inform on how to proceed on this matter in early 2022.



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Low Voltage Directive (LVD)

In the framework of the evaluation of the Electromagnetic Compatibility Directive (EMCD), the European Commission released the [final report](#) of the evaluation study that was carried out by the consultant CSES. The conclusions of the study, as

summarised below seem to indicate that the EMCD would not be revised but so far, the Commission has not communicated any final decision.

- *Effectiveness*: overall, the EMCD has been effective in contributing towards the achievement of its two objectives (i.e. functioning of the internal market, adequate level of electromagnetic compatibility). Most stakeholders (e.g. industry associations, economic operators, market surveillance authorities) agreed that significant progress has been made towards these objectives. Radio amateur associations were less positive.
- *Efficiency*: benefits clearly outweigh costs generated by the Directive.
- *Relevance*: consensus among all stakeholders that the EMCD is relevant and needed.
- *Coherence*: legal text is generally viewed as being clear for economic operators, although some stakeholders' feedback identified a need for some definitions to be further clarified in future (especially fixed installations). Mixed views as to whether the current set of exclusions is coherent and remains appropriate, especially for benign equipment (ref. Ready-made connecting devices). Some stakeholders argued that an outstanding question to be addressed in the future is the need to avoid electromagnetic interference whenever this could affect functional safety.
- *EU added value*: there is broad consensus among stakeholders that the EMCD has added significant value at EU level since its adoption in 1989.



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Electromagnetic Compatibility Directive (EMCD)

On 7 October 2021, the European Commission decided to register a European Citizens' Initiative (ECI) entitled '[Stop \(\(\(5G\)\)\) – Stay connected but protected](#)'. The organisers of the initiative call on the Commission to propose legislation to better protect all forms of life from certain alleged risks of radiofrequency electromagnetic fields and microwave radiation, to protect against certain other alleged environmental impacts of 5G and related digitalisation, and to ensure effective protection, including against cybercrime, of personal data processed with these new

forms of communication technology. The organisers can start the process for collecting signatures from 1 March 2022. If the ECI receives 1 million statements of support within one year from at least seven different Member States, the Commission will have to examine its content in detail and react.



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Radio Equipment Directive (RED)

The Council (COREPER 1) had a meeting on 17 December to [confirm](#) its non-opposition to the [draft Delegated Regulation](#) on cybersecurity aspects, under the Article 3.3 (d,e,f) of the Radio Equipment Directive. As a reminder, the Council and the Parliament have an official two-month deadline to oppose the Delegated Act, which will expire on 30 December. The national delegations were asked, by 3 December 2021, to indicate their possible opposition to this delegated act, but none of them raised any objections. It is assumed the Delegated Act will be officially published in the EU Official Journal at the end of January or early February 2022. In addition, the discussions on the Standardisation Request related to the standards that are to be developed to meet the requirements of this delegated act (namely protection of network, data protection, and protection against fraud) are ongoing. The Standardisation Request needs to go through the formal consultation process including the Committee on Standards. Therefore, it is likely to be published in March 2022.



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New Legislative Framework (NLF)

In the context of the study supporting the evaluation of the New Legislative Framework (NLF), CSES (Centre for Strategy and Evaluation Services) published the [online targeted questionnaire](#) which will be open until 21 January 2022. The European Commission also released the [public consultation](#) which stakeholders can respond to by 7 March. Whereas the targeted survey is designated for interested parties who have knowledge about the NLF and NLF-aligned legislation, the public consultation is open to all EU citizens.

The purpose of the consultation process is to:

- Assess the effectiveness, efficiency, relevance, coherence and EU added value of certain aspects of the New Legislative Framework (NLF).
- Provide an informed assessment of the NLF's current performance, covering the alignment of harmonisation legislation with the NLF principles and common reference provisions, conformity assessment, the accreditation framework for conformity assessment bodies, and CE marking.
- Consider the NLF's ongoing fitness for purpose, in particular given market trends related to digitalisation and the circular economy.

As for the next steps, the draft interim report of the NLF evaluation study is tentatively scheduled to be published at the end of January 2022. The study is supposed to be concluded in March/April.



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Issues of General Interest

Digital Policy

Artificial Intelligence

Discussions are progressing at different paces within the EU Council and the European Parliament on the analysis of the Commission proposal for an Artificial Intelligence Act.

In the EU Council:

On 3 December, the Slovenian Presidency provided the Telecommunications Council with both [a progress report](#) and a [partial compromise proposal](#) on the text, addressing issues such as the scope, definitions, prohibited AI practices and the classification of high-risk AI systems.

Work has been focusing on the core definition of AI, social scoring and other prohibited practices, remote biometric identification, use cases that fall under high-risk AI, general purpose AI systems and the impact on the law enforcement authorities. Other issues identified by the Presidency as requiring further analysis

include requirements for high-risk AI systems, the responsibilities of various actors in the AI value chain, compliance and enforcement, and the relationship with other legislation.

In the European Parliament:

The analysis of the Commission proposal has been considerably delayed for internal political reasons, namely the dispute over the designation of a lead Committee, which should nominate a lead Rapporteur. After months of discussions, the following agreement was reached early December:

- IMCO (Internal Market and Consumers Protection Committee) and LIBE (Civil Liberties, Justice and Home Affairs Committee) will “co-report” with Mr Brando Benifei (Italy/S&D) Rapporteur for IMCO and Mr Dragos Tudorache (Romania/RENEW) rapporteur for LIBE
- ITRE (Industry, Research and Energy Committee) will have exclusive competences on SMEs and shared competences on Article 3 (definitions) and data-related topics; ITRE designated its Rapporteur for Opinion on 15 December MEP Eva Maydell (Bulgaria/EPP)
- JURI (Legal Affairs) and CULT (Culture and Education Committee) will also share some responsibilities (to be fine-tuned).

This decision would significantly diminish the influence of the JURI Committee and in particular of one of its AI experts Axel Voss/Germany/EPP, who recently published the draft of a comprehensive [own-initiative report](#) for the Special Committee on Artificial Intelligence in a Digital Age (AIDA) that:

- Considers that the EU has fallen behind global competition; should not fall further down as regards a human-centric approach to AI and
- Analyses EU deficiencies and makes proposals on how to address them: harmonised legislation limited to high-risks applications; data sharing, infrastructures including 5G, digital skills, international cooperation including on military aspects
- Shows support to industry, hoping to “create a technology friendly framework for the future innovation and competitiveness of Europe.”

The draft report is currently under examination by the AIDA Committee, where over 1300 amendments have been tabled.

Meanwhile, the ENVI Committee presented on 10 December its [draft Report](#) for Opinion prepared by MEP Susana Solís Pérez (Spain/Renew), focusing on the following arguments:

- The Rapporteur fully agrees with the need for a horizontal approach as she considers that common rules must be established to provide a cross-cutting approach to all sectors. AI systems will become increasingly embedded into products and services therefore requiring such a horizontal approach.
- Overall, the AI act should preserve European values, facilitating the distribution of AI's benefits across society, protecting individuals, companies, and the environment from risks while boosting innovation and employment and making Europe a leader in the field.
- The Rapporteur is concerned that the AI Act does not provide sufficient protection to the environment and proposes that the AI Act shall include the environment among the areas that require a high level of protection. This will entail the classification as "high risk AI" of all those systems that can have major negative implications on the environment
- The Rapporteur for the opinion considers that the AI Act shall not just cover users but must expand its scope to end recipients too.



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Digital Services Act

On 14 December, the IMCO (Internal Market and Consumer Protection) Committee adopted its Report on the [Digital Services Act](#) (DSA) proposal. The DSA will define responsibility and accountability rules for providers of intermediary services, and in particular online platforms, such as social media and marketplaces. Very large online platforms (VLOPs) will be subject to specific obligations due to the particular risks they pose in the dissemination of both illegal and harmful content. This draft legislation aims to create a safer digital space in which users' rights are protected, including through rules to tackle illegal goods, services, or content online, enhance the accountability and transparency of algorithms, and deal with content moderation. Including provisions on risk assessments, risk mitigation measures, independent audits and so-called "recommender systems" (algorithms that determine what users see) in the DSA would also help to tackle harmful content (which might not be illegal) and the spread of disinformation.

The European Parliament will vote on the amended DSA proposal in its January 2022 Plenary session. The approved text will then become Parliament's mandate for negotiations with EU governments, planned to start under the French Presidency of the Council in the first semester of 2022.

On 15 December, the Parliament voted in Plenary its report on the Digital Markets Act (DMA) proposal, aiming to blacklists certain practices used by large platforms acting as “gatekeepers” and to enable the Commission to carry out market investigations and sanction non-compliant behaviours. This allows to begin negotiations with the Council on rules setting out what big online platforms will be allowed to do and not do in the EU.

The proposed regulation will apply to the major companies providing so-called “core platform services” most prone to unfair business practices. These include online intermediation services, social networks, search engines, operating systems, online advertising services, cloud computing, and video-sharing services, which meet the relevant criteria to be designated as “gatekeepers.” MEPs also included web browsers, virtual assistants and connected TV within the scope of the DMA.

More details are to be found in the [press release](#) published by the European Parliament.



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Data policies

Upcoming “Data Act”

The presentation by the European Commission of a Data Act proposal has been delayed from Q4 2021 to Q1 2022:

- With the future proposal, the Commission’s intention remains to unleash the 80% of data that is currently not being used across all sectors of the economy.
- However, the proposal will have a complex relation to other legislation, notably with the Data Governance Act which makes data sharing mandatory, with the GDPR on data portability and differentiation of personal and non-personal data, as well as with the ePrivacy Regulation on data generated from terminal equipment.
- A key point still under internal discussion within the Commission services: under which conditions will companies have to share their data with governments (B2G)?

According to a recent draft college of Commissioners meetings schedule, the proposal could be adopted by the Commission on 23 February.



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General Product Safety Regulation

The draft report on the proposed General Product Safety Regulation was published on 10 December 2021 (rapporteur in the European Parliament's IMCO committee: Dita Charanzová, Renew Europe, Czechia). Among the key amendments introduced in the draft report one can note the following:

- An explicit exclusion of standalone software and provision of further clarifications of certain definitions ('product', 'safe product', 'online marketplaces')
- Updated list of obligations in article 8 for economic operators to ensure a more proportionate approach for small producers
- A new article to enhance the use of digital means to provide technical documentation, instructions and other safety information
- The extension of the provision of 'responsible person' (first introduced in the Market Surveillance Regulation) limited to only those product categories where there is evidence that such a provision is necessary
- Additional targeted obligations to online marketplaces and strengthening the exchange of information between platforms, traders and market surveillance authorities (also encouraging voluntary commitments between online marketplaces such as memoranda of understanding)
- Encouraging a better coordination between existing tools and notifications, such as the Safety Gate and ICSMS
- Further developed articles on the Consumer Safety Network and the article on international cooperation with third countries' regulatory authorities
- Proposals to clarify that the value of the recalled product is calculated on the basis of initial purchase price
- Additional changes to the provisions on penalties to ensure that the nature and the gravity of the infringement are taken into account

- Extension of the date of application of the Regulation from 6 to 12 months after its entry into force

A discussion on the draft report took place in the IMCO Committee on 10 January 2022, followed by the deadline for amendments set on 18 January, and a consideration of the amendments scheduled on 28 February.

As far as the Council is concerned, the former Slovenian Presidency produced a [progress report](#) on the GPSR proposal, which was presented at the Competitiveness Council meeting on 25 November.

The Slovenian Presidency chaired 10 meetings of the Working Party on Consumer Protection and Information which mainly discussed the general architecture, scope and substantial provisions of the proposal. Member States primarily covered the following issues during the Working Party meetings: scope and definitions; safety requirements; obligations of economic operators; online marketplaces and the relation with the Digital Services Act; the legal technique concerning the alignment of market surveillance rules; the Safety Gate rapid alert system.



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Standardisation Policy

The latest SMAART meeting on EU standardisation took place on 3 December 2021. The main agenda points covered: an update on recent developments in standardisation at the international level (notably on EU relations with US and China); an update on the situation with regard to the publication of harmonised standards in the OJEU and the performance of the HAS Consultants system; a discussion on the current draft standardisation request for the Delegated Act on cybersecurity in support of the Radio Equipment Directive; and finally, an update on the new proposal for a General Products Safety Regulation, particularly regarding the standardisation aspects.

On the point of the harmonised standards' publication, industry representatives called for more transparency and predictability of the Commission's internal processes. It also highlighted that the cumbersome process triggered by the preparation of the Annex Z (describing to what extent the harmonised standard covers the relevant legislative requirements) increases the overall duration of the development of harmonised standards. The Commission explained that the reasons for refusing the publication of a harmonised standards are mostly legal in

practice, and often concern the Annex Z. The industry stressed the importance of a sufficiently early engagement of HAS consultants, increasing their capacity in terms of providing more resources and improving communication in the overall system. Regarding HAS consultants, the Commission is currently preparing the launch of a public tender for the management of the system as of 2022.

On the EU Standardisation Strategy that was awaited before the end of 2021, according to the latest information, it is supposed to be released on 2 February 2022. The Strategy is intended to address five priority areas such as: the functioning of the European standardisation system; EU's international leadership in standards-setting; better anticipation of standardisation needs; pre-normative activities and research; education/skills/expertise. Several actions will be announced in these five areas, to be implemented by the relevant actors, following the publication of the Standardisation Strategy. The actions may also include a more structured approach to the stakeholder engagement in standardisation, as well as to the interlinks between standardisation and the work in other strategic areas.

For further information, the full Commission report of the SMAART meeting and presentation slides can be requested from the [secretariat](#).



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Public Procurement

International Public Procurement Instrument

On 14 December, half a year after the Council's adoption of its common position and 9 years after the Commission's tabling of its initial proposal, the European Parliament voted in plenary the Caspary Report on the International Procurement Instrument (IPI).

Once adopted, the instrument will allow the EU Commission to investigate cases of alleged discrimination of European companies applying for public procurement calls outside the EU.

If a discrimination is detected and the third country concerned does not rectify the situation, the Commission could consider goods and services from this country as more expensive in public procurement bids within the EU. This possibility to

disadvantage foreign companies should act as a deterrent to third countries and therefore provide more market access opportunities for EU companies.

The Parliament's position aims at increasing the EU Commission's power in the IPI by extending the scope of the proposal and reducing the number of exceptions in which national authorities can defer from measures taken through the IPI.



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Dual-use items

Regulation (EU) 2021/821 on the list of dual-use items has been [amended](#). The amendment updates the list of dual-use items reflect changes to the control lists adopted by the international non-proliferation regimes and export control arrangements until the end of 2020. It concerns the control parameters, the technical definitions and descriptions and the removal or addition of dual-use items.

On 23rd November, the European Commission issued its [annual report on export controls](#). The report shows that dual-use exports represent about 2.3% of total EU exports. Out of a total number of 30.292 applications for and notifications of exports under licences, 603 transactions (exports) were denied (in 2019) representing about 0.02% of total exports. This would put the value of dual-use trade at €119 billion in 2019.

The new Regulation entered into force on 9 September.



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Issues of General Interest

Market Access

The European Commission has published a [factsheet on the Single Entry Point](#) for stakeholders facing market access issues in third countries.



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Foreign Subsidies

Further to the publication of a [proposal for a Regulation on foreign subsidies distorting the internal market](#), the European Parliament is moving quickly. Rapporteur Christophe Hansen has released the draft report prepared for the INTA Committee (International Trade). The report generally supports the proposal proposing to amend certain aspects, e.g. related to the creation of red tape and the *ex officio* investigations in subsidy-related distortions.

The IMCO Committee (Internal Market and Consumer Protection) will be giving an opinion. Its rapporteur Christian Doleschal, has just released a [draft opinion](#).

The lead Committee is set to vote on this text in April 2022, and the French Presidency aims at reaching an agreement in the Council before the end of spring.



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Foreign Direct Investment

On 23rd November 2021, the Commission published its [first annual report on the screening of Foreign Direct Investments into the EU](#). Nearly 400 foreign investments have been screened since the new legislation came into force in 2020. The report demonstrates that the FDI screening legislation has been taken up by an increasing number of Member States, the number of MS with such mechanism raising from 11 to 18. Bulgaria, Croatia and Cyprus the MS still have with no publicly reported initiative underway.

Most FDI screening notifications concerned the manufacturing sector, ICT, wholesale and retail, and the largest share of inward foreign investments in 2020 originated from the US, UK, China, Canada and the UAE. However, the Commission is concerned about the change in investment patterns towards strategic sectors occasionally with government backing.



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World Trade Organisation (WTO)

The EU is amongst a group of 67 World Trade Organization (WTO) members, who have agreed on the so-called Joint Initiative on Services Domestic Regulation. The agreement aims at cutting red tape in services trade by simplifying unnecessarily complicated regulations and easing procedural hurdles faced by SMEs in particular. Sectors such as telecommunications, computer services, engineering, and commercial banking stand to benefit from it.

The WTO members participating in this Initiative will make specific commitments by the end of 2022. The agreement will help reduce the costs of global services trade by more than USD 150 billion every year.



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Trade Defence Instruments / EU anti-dumping measures

The European Commission has published its first annual [report](#) on the implementation and enforcement of trade agreements and international trade rules. The report assesses the use of opportunities by businesses provided by EU trade agreements; the uptake of trade agreements by SMEs; trade barriers; and the enforcement of trade commitments through dispute settlement. The report notably highlights that effective implementation and enforcement of EU trade agreements and international trade rules have added €5.4 billion to EU exports in 2020.

On 8th December, the Commission adopted a [new tool](#) to counter the use of economic coercion by third countries. Presented as a response to deliberate economic pressure from some third countries on the and Member States, the legal instrument will allow the EU to better defend itself on the global stage, thereby deterring countries from restricting or threatening to restrict trade or investment to bring about a change of policy in the EU in areas such as climate change, taxation or food safety.

The proposal will now go through the ordinary legislative procedure with the European Parliament and Council. For more info, see the [FAQ](#).

Date of Publication	Legal act	Product	Country of origin or exportation	Measure	Update
18.11.2021	Implementing Regulation	Certain graphite electrode systems	China	Anti-subsidy	Notice of initiation
17.11.2021	Implementing Regulation	Certain aluminium road wheels	Morocco	Anti-dumping	Notice of initiation
17.11.2021	Implementing Regulation	stainless steel cold-rolled flat products	India, Indonesia	Anti-dumping	Definitive measure
17.11.2021	Implementing Regulation	Optical fibre cables	China	Anti-dumping	Definitive measure
12.10.2021	Implementing Regulation	Wire rod	China	Anti-dumping	Definitive measure
8.10.2021	Implementing Regulation	Flat-rolled aluminium products	China	Anti-dumping	Definitive measure <i>(imposed but immediately suspended for 9 months)</i>



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EU – US

Following the set-up of the EU-US Trade and Technology Council, the Commission has launched a consultation platform to collect stakeholder's input to shape transatlantic cooperation. The [TTC Futurium platform](#) is open to everyone after a simple registration. It allows interested parties to have their voice heard in the work of the ten specific TTC Working Groups. Via this website, they can not only feed in their views, but also receive important information and updates on the progress of the different working groups.

Moreover, on 31st October, the EU and the US agreed to start discussions on a Global Arrangement on Sustainable Steel and Aluminium. The US will also remove Section 232 tariffs on EU steel and aluminium exports up to past trade volumes, whilst the European Union will suspend its rebalancing measures against the United States. Finally, President Biden and European Commission President von der Leyen also agreed to pause the bilateral World Trade Organisation disputes on steel and aluminium. More information is available [HERE](#).



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Free Trade Agreements – overview

Country	Current Status	Next steps
Singapore	Trade and investment agreements were adopted in October 2018. On 21 November 2019 the Free Trade Agreement entered into force.	Investment Protection Agreement to be ratified by all the Member States before entering into force. Here more information
Vietnam	The FTA entered into force on 1 st August 2020. The Commission has updated its Guidance on the Rules of Origin	Here more information
Mercosur	Ongoing negotiations for a free trade agreement. In June 2019, EU and Mercosur reached a political agreement .	The Commission has published the agreement in principle and its texts though these are not fully final yet.
China	Ongoing negotiations for an Investment Agreement. Agreement in principle reached on 30 th December 2020	The text of the agreement is being finalised and will need to be legally reviewed before submission for approval to the EU Council and the European Parliament.
Australia	Ongoing negotiations for a free trade agreement. 11th round of negotiations took place on 1-11 June 2021. The Commission has published the Trade Sustainability Impact Assessment .	The date for the next round of negotiations is scheduled in October 2021. Here more information

New Zealand	Ongoing negotiations for a free trade agreement. 11th round of negotiation took place on 28/06 – 08/07. The Commission has published the Trade Sustainability Impact Assessment	The date for the next round of negotiations is not scheduled yet. Here more information
Indonesia	Ongoing negotiations for a free trade agreement. The latest round of negotiations took place on 15-26 June 2020. The European Commission has published conclusions of the sustainability impact assessment	The next round of negotiations will take place in July 2021. Here more information
Tunisia	Ongoing negotiations for a free trade agreement. 4 th round of negotiations took place in 28-30 April/1-2 May 2019 in Tunis.	Negotiations are at a standstill due to change of government in Tunisia and civil society protest. Here more information
Chile	Ongoing negotiations to revise and modernise the free trade agreement. The 10th round of negotiations took place in April 2021.	The 11 th round of negotiations is not yet scheduled. Here more information
ESA (Eastern and Southern Africa countries: Comoros, Madagascar, Mauritius, Seychelles and Zimbabwe)	Ongoing negotiations to deepen the existing Economic Partnership Agreement (EPA). 5th round of negotiations took place on 19-23 July.	The next round of negotiations will take place in a few months. Here more information
India	On 5 February 2021, the EU-India High-Level Dialogue on Trade Investment held its first meeting. The possibility of resuming negotiations on a trade and investment agreement was discussed.	

	These have been suspended for 7 years.	
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ENVIRONMENT

REACH

- **Review**

As a reminder, the [Chemicals strategy for sustainability](#) adopted by the European Commission on 14 October 2020 lists a series of measures to achieve the EU's zero pollution ambition for a toxic-free environment and is a key component of the European Green Deal. The Strategy recognises the need for a targeted revision of the REACH legislation to achieve its objectives.

On 4 May, the European Commission published the [roadmap](#) on the revision of the REACH Regulation. The document was open for feedback until 1 June 2021 and 325 contributions were submitted. Feedback will be taken into account for further development and fine tuning of the initiative.

A workshop on the reform of REACH authorisations and restrictions, organised by the Slovenian Presidency in cooperation with the European Commission, was held in Kranj, Slovenia, on 8-9 November 2021. It was intended for REACH experts from all Member States and the European Chemicals Agency (ECHA). The workshop was also attended by the Directors-General of the European Commission, who are responsible for this area. It aimed to discuss key outstanding issues and identify objectives of the authorisation and restriction reform system. This will provide an important basis for further work by the Council.

Another [workshop](#) was also organised by the European Commission on 12 November 2021. The goal was to discuss options for the reform and to generate feedback from stakeholders. In short, stakeholders agreed that the authorisation process is too burdensome, slow and controversial. Moreover, it creates a non-level playing field with imports since it applies only to manufacturing in the EU.

In addition, the EU competent authorities for REACH and CLP ([CARACAL](#)) also discussed the REACH review on 17-18 November 2021.

The next steps of the revision process are:

- Q3 2021 to Q1 2022: targeted stakeholder consultations as part of supporting studies and workshops
- 2022: drafting of a proposal for a revision of REACH
- Q1 2022: open public consultation for 12 weeks
- September 2022: publication of the impact assessment
- Q4 2022: Commission adoption of the proposal

The [webpage](#) on the REACH Revision is now available. This is part of an updated webpage on the [implementation](#) of the Chemicals Strategy for Sustainability.

The REACH Regulation was [last evaluated in 2018](#). It concluded that REACH is effective but that there are opportunities for further improvement, simplification and burden reduction. Following the evaluation, a number of non-legislative actions have been launched (some of them finalised, others still ongoing) to improve the implementation of REACH.

- **Substances of Very High Concern (SVHC)**

The [European Court of Justice](#) has dismissed in its entirety an appeal brought by Plastics Europe against the judgment of the General Court in Case T-636/17, which confirmed ECHA's decision to identify bisphenol A (BPA) as a substance of very high concern (SVHC) on the basis that it is an endocrine disrupter to human health under Article 57 (f) of REACH. The Court of Justice found that Plastics Europe failed to demonstrate any error of law by the General Court.

Moreover, new intentions to identify a substance of very high concern have been received for:

- [N-\(hydroxymethyl\)acrylamide](#) (EC 213-103-2, CAS 924-42-5).
- [2,2',6,6'-tetrabromo-4,4'-isopropylidenediphenol](#) (EC 201-236-9, CAS 79-94-7).

Identification of SVHCs may lead to further risk management through authorisation.

- **Restriction**

[Denmark](#), [Germany](#), [the Netherlands](#), [Norway](#) and [Sweden](#) have submitted an intention to restrict the manufacture, placing on the market and use of [per- and polyfluoroalkyl substances \(PFAS\)](#) (EC/CAS -) on 15 July 2021. This is a large family of thousands of synthetic chemicals that are widely used throughout society. A [call for evidence](#) was held during the summer of 2020. ECHA also organised a [webinar](#) on 29 October 2020 to learn about the REACH restriction process and the status of the proposed PFAS restriction. The five countries have launched a survey on PFAS and

their alternatives and are looking for more information for the intended restriction. The deadline for [comments](#) was 17 October 2021. A [regulatory management option analysis conclusion document](#) (RMOA) is also available on ECHA's website.

The Belgian delegation provided [information](#) on coordinated action against PFAS during the [EU Environment Council](#) which was held on 6 October 2021.

The next steps of the process are:

- The five Member States would finalise the Annex XV dossier within 12 months of its notification to ECHA. ECHA would then publish the dossier following a conformity check, expected in July 2022.
- Following the dossier's publication, a 6-months publication consultation would start, in 2022
- Based on the final ECHA opinion, the European Commission may decide to draft an amendment to restrict non-essential uses of PFAS under REACH Annex XV (expected in 2024)
- The amendment of the Annex XV would then possibly enter into force in 2025

Moreover, the Committees for Risk Assessment (RAC) and Socio-Economic Analysis (SEAC) support Germany's proposal to restrict the use of [undecafluorohexanoic acid \(PFHxA\)](#) and related substances. PFHxAs are a subgroup of PFAS. The potential restriction is expected to reduce further environmental and human exposure to these chemicals. RAC supported the proposed restriction for uses where it is not possible to minimise emissions through other means. SEAC considers that a restriction of PFHxA is, in general, an appropriate measure to address the identified risks and to ensure a consistent level of protection for people and the environment across the EU. However, while SEAC concluded that a restriction on certain uses was likely to be proportionate, uncertainties in the available information prevented SEAC from concluding that the proposed restriction as a whole was the most appropriate means to address the identified risk.

Furthermore, the European Commission is looking for comments on measures to reduce the environmental impact of unintentionally released microplastics. The call for evidence focuses on labelling, standardisation, certification and regulatory measures for the main sources of these plastics. The deadline for [comments](#) is 18 January 2022.

Moreover, ECHA has launched a [call for evidence](#) to collect further information on a possible restriction dossier for 10 ortho-phthalates from the Authorisation List. For these phthalates, a screening report under Article 69(2) has been drafted to investigate if their use in articles is adequately controlled. In addition, ECHA is also

collecting information on other ortho-phthalates where regulatory needs are being assessed. ECHA is requesting interested parties to provide relevant information during the call for evidence, which will be open until 26 January 2022.

In addition, the European Commission has published a [regulation](#) restricting N,N-dimethylformamide (DMF) – an aprotic solvent used in many industrial applications in the EU. This decision follows the proposal of the Italian authorities and the opinion of ECHA’s scientific committees. The restriction starts applying from 12 December 2023. Some uses have been granted longer transition periods.

Germany has launched a second call for evidence to support the preparation of a REACH restriction of [bisphenol A and further bisphenols that are of similar concern](#) for the environment. The call for evidence aims to clarify remaining questions on potential alternatives and the socio-economic impacts of the restriction proposal. Deadline for comments was 22 December 2021.

Moreover, France submitted an intention to restrict the placing on the market and reuse of treated articles containing [creosote](#) (EC 232-287-5, CAS 8001-58-9) on 14 October 2021 for submission on 1 February 2022.

- **Autorisation**

The Court of Justice of the European Union (CJEU) [ruled](#) that the Commission did not unlawfully disregard the hormone-disrupting risks posed by the phthalate DEHP when it approved its presence in PVC materials and products. The CJEU refused in 2019 to annul a decision by the Commission granting authorisation to three companies that recycle PVC to sell material containing DEHP, a chemical that softens plastics. ClientEarth appealed and argued that it was “opening a loophole” making it easier for companies to recycle toxic waste into new products. Back in February, Advocate General of the CJEU Juliane Kokott supported ClientEarth on several points.

Furthermore, ECHA has launched consultations on three applications for authorisation and two review reports covering six uses of:

- chromium trioxide (EC 215-607-8, CAS 1333-82-0) for the following uses:
 - [Pre-treatment/etching](#) in the chrome plating process of automotive plastic components;
 - [functional chrome plating of components](#) in the automotive industry;
 - [Decorative/functional application](#) (electroplating) in the sanitary industry;

- 2,2'-dichloro-4,4'-methylenedianiline (MOCA) (EC 202-918-9, CAS 101-14-4) [in the manufacture of hot cast polyurethane products](#);
- Trichloroethylene (EC 201-167-4; CAS 79-01-6) in the following uses:
 - [Extraction solvent](#) in the manufacture of polyethylene separators for lead-acid batteries;
 - [Extraction solvent](#) for the purification of caprolactam from caprolactam oil.

More information about the uses applied for is available online. The deadline to submit comment was 12 January 2022.

Moreover, the European Commission adds endocrine disrupting properties to four phthalates on the Authorisation List. The [Authorisation List](#) update introduces properties signalling negative effects to the hormonal system for:

- bis(2-ethylhexyl) phthalate (DEHP) – for human health and the environment;
- benzyl butyl phthalate (BBP) – for human health;
- dibutyl phthalate (DBP) – for human health; and
- diisobutyl phthalate (DIBP) – for human health.

The update follows ECHA's recommendation from 2019. The four phthalates were originally added to the list in 2011 and 2012 as they are toxic to reproduction. Following the Authorisation List amendments, some previously exempted uses will now require authorisation.

- **Assessment**

[First assessments](#) of regulatory needs for groups of chemicals are published. The first assessments cover over 450 substances in 19 groups. For 18 of these groups, regulatory risk management measures or further data are needed. ECHA and Member States have been assessing the regulatory needs of groups of substances in an effort to speed up regulatory action on chemicals of concern.

In addition, new [Q&As](#) on assessing groups of chemicals are available on ECHA's website. They cover what information will be available and where, what kind of assessment is done and what registrants can do. If you missed the webinar on assessing groups, the [recording and presentations](#) are now available. The webinar explains how ECHA assesses the regulatory needs of groups of substances and how this approach helps to speed up the control of chemical risks.

- **Enforcement**

In the [latest project](#) of ECHA's Enforcement Forum, enforcement authorities found that most inspected products sold online were non-compliant with at least one requirement under relevant EU chemicals legislation being checked. The inspections resulted in more than 5 000 enforcement actions.

Furthermore, the [Enforcement Forum](#) held in November agreed to run a pilot project in the future to control restrictions of dichloromethane and N-methyl-pyrrolidone. The Forum also started preparing projects to enforce safety data sheet obligations.

- **Recycling**

REACH requirements need to be considered in chemical recycling. Chemical recycling of plastic waste currently covers different technologies with varying potential for contributing to a circular economy, a [new report](#) finds. Following REACH registration requirements for recycled materials and finding ways to eliminate substances of concern from plastic waste streams are key to achieving non-toxic recycling.



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REACH and Nanomaterials

A [new report](#) shows that limited data is available on the amount of waste streams containing nanomaterials in the EU. However, despite this, existing public data on waste is highly valuable for waste managers, scientists, regulatory bodies, and potentially consumers.



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RoHS2 Directive

- **Renewal of exemptions**

Further to the series of renewal requests submitted by the industry in January 2020, the Commission has contracted external consultants, namely Oeko-Institut together with Fraunhofer IZM, to perform the technical assessment. The assessment of sixteen requests for nine RoHS exemptions started in December: it is named [RoHS project \('Pack 22'\)](#). The study will cover lead related exemptions 6(a)/6(a)-I, 6(b)/6(b)-I, 6(b)-

II, 6(c), 7(a), 7(c)-I and 7(c)-II (Annex III). The [stakeholder consultation](#) ran until 3 March 2021 and the final technical study report is expected in January 2022. For more details, please see the [Technical specifications](#) and the [Project Description](#).

Moreover, the [stakeholder consultation](#) for the pack 24 (which includes exemptions 5(b), 18(b), 18(b)-I, 24, 29, 32 and 34 of Annex III and exemption 34 of Annex IV) ran until 8 June 2021. The consultation targeted at the following groups: EEE industry, EEE industry federations, Consultancies, Research institutions & universities, NGOs and Public administrations. The final technical study report is expected in January or February 2022. The consultants are [Ramboll/Oeko-Institut](#). For more information, please refer to the [Project Description](#).

Furthermore, the [stakeholder consultation](#) for the pack 23 (which includes exemptions 4(f), 8(b)/8(b)-I, 13(a), 13(b)/13(b)-I/13(b)-II/13(b)-III, 15/15(a) & 9(a)-II - 9(a)-II) ran until 27 May 2021.

- **RoHS General Review**

As a reminder, the European Commission published in April the [RoHS General Review Final Ecorys Report](#). This study supports the evaluation of the RoHS Directive. Building on desk research and an extensive consultation strategy, the study provides an assessment of the Directive's effectiveness, efficiency, relevance, coherence, and its EU added value. The study finds that the Directive reached the objective to reduce hazardous substances in EEE in the EU. This has contributed to the protection of human and environmental health. By setting clear standards and providing a level playing field for manufacturers, the Directive has also contributed to the harmonisation and functioning of the internal market. While the exemption process is deemed relevant and important to maintain, industry representatives highlighted delays in assessing and approving exemptions. The renewed commitment of the EU to the transition to a circular economy and a specific focus on electronic equipment as a "key product value chain" may lead to a reassessment of some of the central mechanisms of RoHS.

The next steps of the RoHS Review are:

- Support study (since April 2021)
 - The European Commission launched, in April, a support study which is prepared by the consultants Oeko Institut and Ramboll. This support study will include technical workshops and stakeholder conference (which are expected to take place in 2022)
 - It will evaluate different policy options, including the nature of RoHS (should it be a regulation or a directive?)
- The [inception Impact Assessment](#) (around January 2022)

- Open stakeholder consultation (around February 2022)
- Commission's legislative proposal (expected for Q4 2022)



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Circular Economy Policy

Sustainable Products Initiative

In the past months the European Commission has been actively working on the Sustainable Product Initiative's (SPI) Impact Assessment, which was submitted to the Regulatory Scrutiny Board for approval at the end of November 2021.

In the meantime, it was actively engaged in bilateral consultations with relevant stakeholders to refine the first drafts of the legislative text.

As a reminder, the main aims of the SPI are the broadening the scope of the Ecodesign Directive beyond energy related products, mandatory requirements for recycled content, information and labelling, and digital product passports (DPP).

Priority products under the legislative initiative are electronics, ICTs, textiles, furniture, and high-impact intermediary products such as steel, cement, and chemicals. Further product groups will be identified based on their environmental impact and circularity potential.

Because of the extended work and busy schedule, the Commission pushed its due date for the publishing of the SPI legislative proposal from 15 December 2021 to 30 March 2022. It will be accompanied by several other proposals, including a Regulation on substantiating environmental claims using the Product/Organisation Environmental Footprint (PEF/OEF) methods and a legislative act on "Empowering the consumer for the green transition".



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Waste Framework Directive

SCIP Database (previously ECHA Waste Database)

Despite a lengthy debate, the European Chemicals Agency (ECHA) eventually launched the [SCIP database](#) on 28 October 2020, and suppliers must submit SCIP notifications since 5 January 2021. As a reminder, 'SCIP' is the database for information on Substances of Concern In articles as such or in complex objects (products) established under the Waste Framework Directive.

After the IUCLID update in October, the following documents have been updated:

- New [SCIP Format](#) documents
- [Candidate List Package](#) with the new format
- [Categories of materials and additional material characteristics included in the SCIP format](#)
- [Validation rules for SCIP notifications](#)
- [SCIP Notification Format Preparing a SCIP dossier](#)



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Green Public Procurement

On 20 October, the European Commission published a [staff working document on the revised EU Green Public Procurement \(GPP\) criteria for road transport](#), updating the previous criteria published in 2019.

The criteria are designed to make it easier for public authorities to purchase goods, services and works with reduced environmental impact. **The use of the criteria is voluntary.** The document lists the EU GPP criteria for road transport, which are divided into **core criteria** (designed to allow easy application of GPP focusing on key areas of environmental performance and aimed at keeping administrative costs to a minimum) and **comprehensive criteria** (taking into account higher levels of environmental performance, for use by authorities that want to go further in supporting environmental and innovation goals). For example, the level of CO₂ emissions and the energy efficiency of the vehicle are taken into account.



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Environmental Footprint

On 16 December 2021, the European Commission adopted the [new Recommendation on the use of Environmental Footprint methods](#), which revises the [previous 2013 Recommendation](#) incorporating new methodological insights. The revision aims at further incentivising the industry to manufacture products that have a better environmental performance.



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Water Framework Directive

The Commission adoption of the [upcoming proposal for a revision of the Water Framework Directive](#), containing a review of the list of pollutants occurring in surface and ground waters, and corresponding regulatory standards, is planned for Q3 2022. A recent evaluation found that EU water legislation needed improvement on aspects such as investment, implementing rules, integrating water objectives into other policies, chemical pollution, administrative simplification and digitalisation.

On 15 December, the European Commission adopted the latest [report on the implementation of EU water rules](#), with the aim of showing EU Member States' progress towards the 2027 goal for all European water bodies. The report shows that the gap to full compliance with the objectives of the Water Framework Directive is still considerable.



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Urban Waste Water Treatment Directive

Delays are expected in the publication of the Urban Waste Water Treatment Directive (UWWTD) revision by the European Commission. Initially planned for early 2022, the proposal for a revision will be presented in June 2022.

On 26 October, the European Commission and the Committee of the Regions jointly organised a conference on the UWWTD revision. During the conference, the deputy Director General in DG Environment highlighted areas that could be covered in the

revision (remaining urban wastewater pollution and adjusting the directive's scope; addressing new challenges; and governance) and presented different measures and policy options for each area. See the background document of the conference [here](#).



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Revision of the Drinking Water Directive

On 3 December, the [Committee on the Drinking Water Directive](#) met for the first time to discuss the [Draft Commission Implementing Decision](#) establishing a watch list of substances and compounds of concern for water intended for human consumption. The Draft Implementing Decision includes an [Annex](#), with the first two substances are added to the watch list: 17-beta-estradiol and nonylphenol. If the Committee delivers a positive opinion on the text, the draft implementing act will be adopted. Member States will be called on to put into place monitoring requirements for the potential presence of the substances included on the watch list.

ECHA is in the process of compiling existing national positive lists of substances authorised in materials in contact with drinking water as part of the implementation of the DWD. The final list will be adopted by the Commission by 12 January 2025. Read more [here](#).



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Issues of General Interest

OHS: Carcinogens and Mutagens Directive

In the last months, the EU institutions continued discussions on the fourth amendment of the Carcinogens and Mutagens at Work Directive. After several rounds of negotiations, the Council and the European Parliament finally reached an agreement on 16 December 2021.

As a reminder, the Commission tabled a proposal in 2020 to limit workers' exposure to a series of cancer-causing substances. This amendment aimed to set new limit values for acrylonitrile and nickel compounds and lower the limit values for benzene.

In addition, MEPs secured the inclusion of reprotoxic substances under the scope of the CMD, thus making the legislation to be renamed the carcinogens, mutagens and reprotoxic substances directive. Additionally, upon the Parliament's request, the European Commission will present an action plan to achieve occupational exposure limit values for at least 25 substances or groups of substances before the end of 2022.

About the next steps, the informal agreement will now have to be formally endorsed by the Parliament and the Council in the next weeks.



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Eco-Management and Audit Scheme

On 25 November, the European Commission published in the Official Journal the [Decision on the sectoral reference document on best environmental management practices, environmental performance indicators and benchmarks of excellence for the fabricated metal products manufacturing sector.](#)

The document outlines the best environmental management practices, sector-specific environmental performance indicators and benchmarks of excellence agreed by the European Commission. The benchmarks are deemed to be representative of the levels of environmental performance that are achieved by the best performing organisations in the fabricated metal products manufacturing sector. The Decision entered into force on 15 December 2021.



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ENERGY

Energy Efficiency

Energy Labelling Regulation

In early January 2022, the European Commission will launch a test environment for the new Supplier Account Verification process in the European Product Database for Energy Labelling (EPREL).

Meanwhile, a new Supplier Verification manual has already been made available and can be found [here](#).

The launch of the EPREL public interface is scheduled on 1 March 2022.



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Ecodesign Directive

- **Ecodesign Working plan 2020-2024**

The Ecodesign and Energy Labelling Working Plan 2020-2024, which will guide the European Commission's work on individual product categories for the next years, was expected to be finalised by the end of 2021.

However, due to delays and the busy schedule of the Commission and the contracted consultants, the finalisation and official publication of the final Working Plan are scheduled on 30 March 2022.

The Commission plans to adopt it together with several other legislative proposals in a 'green package', including the Sustainable Products Initiative, which will widen the scope of the Ecodesign Directive beyond energy related products and include additional cross-cutting aspects.

For more information, you can check the [final report](#) of the preparatory study and the Commission's [Roadmap](#).



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Ecodesign Directive - Update on Lots / implementing measures

ENTR Lot 1: Professional refrigeration: the next stakeholder meeting is scheduled on 13 January 2022. Those who wish to participate can register by filling in their contact details in the [Meetings section](#).

During the meeting, the first draft interim report published on the project [website](#) will be presented and discussed.

ENER Lot 1 & 2: Space and Water heaters: on 27-28 September 2021, the European Commission organised a Consultation Forum on its legislative proposals for new Ecodesign and Energy Labelling requirements. All working documents from the meeting are available [here](#).

As next steps, the Commission will launch its formal call for evidence in the beginning of 2022, publish its Impact Assessment by September 2022, run inter-service consultations between the end of 2022 and early 2023, and adopt its proposal in the 2nd or 3rd quarter of 2023.

ENER Lot 10: Air conditioners, heat pumps, comfort fans, and local space heaters a new study is being launched on Energy Labelling (EL), which will attempt to merge the EL measures with those of ENER Lot 20: Local Space Heaters.

As next steps, the European Commission will launch its formal call for evidence in mid-January 2022 and hold a Consultation Forum meeting in the 1st quarter of 2022, during which the regulations will be discussed.

ENER Lot 33: Energy-Smart Appliances: the European Commission's Joint Research Centre (JRC) has started a new preparatory study on a potential revision, which will investigate energy-smart appliances and a code of conduct on interoperability.

The scope of the study includes:

- **High flexibility potential with few comfort and/or performance impacts:** dishwashers, washing machines, washer dryers, buffered water heaters, radiators, boilers, heat pumps, circulators, residential and non-residential air conditioners and battery storage systems.

- **Smaller flexibility potential and/or larger comfort/health impacts:** tumble dryers, refrigerators, freezers, extraction fans, heat recovery ventilation and air handlings units and chargers (low power).
- **Only emergency flexibility potential:** electrical hobs, ovens, hoods, vacuum cleaners and lighting.

Interested stakeholders can register [here](#).

ENER Lot 38: Building Automation & Control Systems (BACS): the final documents of the Ecodesign preparatory study, including the final report and its annexes have been made available on this [webpage](#).

The study concludes that energy savings potential for BCAS is very substantial compared to most other product groups considered for Ecodesign policy measures.

Additionally, on 15 November a Consultation Forum dedicated to BACS took place. The key outtakes include:

- DG ENER did not report a solid conclusion, nor policy approach.
- Member States seem quite reluctant due to the unclear scope and unclear framework.
- Interoperability and accuracy seem to be two important issues among the many other topics addressed, beside resource efficiency.
- Resource efficiency can take the form of information requirements on material efficiency, repairs, spare parts, and lifetime.
- There is no common stance in DG ENER between EPBD and Ecodesign experts.

As a next step, the presentation slides will be uploaded [here](#). There are no immediate meetings foreseen for Ecodesign and energy labelling because DG ENER is focusing on finalising the Ecodesign and Energy Labelling Work Plan 2020-2024.

Information and Communication Technologies (ICT): the European Commission's JRC and a consortium of consultants, are conducting a [study on the environmental impact of ICT](#) that will provide policy recommendations on potential inclusion of Ecodesign Criteria.

It will focus on the end-use devices with highest potential for improvement, as far as the environmental impact of their use phase is associated with their usage patterns.

A first stakeholder meeting took place on 23 November 2021 to discuss draft reports for Tasks 2 – 3. Minutes, meeting presentation and all other related documents are available [here](#).

Stakeholders wishing to be involved in the consultation process are invited to [register](#) and participate through the online consultation platform BATIS.



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Issues of General Interest

Energy Infrastructure Package

On 12 October 2021, the European Parliament LIBE Committee (Committee on Civil Liberties, Justice and Home Affairs) adopted its [negotiation position on new rules on EU critical infrastructure entities](#). The position was adopted in the context of the [Commission proposal for a directive on the resilience of critical entities](#). The proposed Critical Entities Resilience (CER) Directive expands the scope of the 2008 Directive to cover ten sectors - energy, transport, banking, financial market infrastructures, health, drinking water, waste water, digital infrastructure, public administration and space, while the 2008 legislation only applied to energy and transport. Before negotiations with the Council can start, the draft negotiating position will need to be endorsed by the whole house in a future session.

On 26 October 2021, the European Commission launched the [second call](#) for large-scale projects under the [Innovation Fund](#), with a deadline of March 2022. The funds will support projects aiming to bring breakthrough technologies to the market in energy-intensive industries, hydrogen, carbon capture, use and storage, and renewable energy. All the projects that were not successful in the first call are encouraged to re-apply.



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Alternative Fuels Infrastructure Directive (AFID)

On 14 July 2021, as part of the Fit for 55 proposals, the European Commission proposed a combination of measures to accelerate the transition to zero-emission mobility. The [revised Alternative Fuels Infrastructure Regulation](#) (AFIR) would replace the current Directive with a Regulation and aims at ensuring that drivers are able to charge or fuel their zero emission vehicles thanks to a reliable network across

the EU. The Committee responsible for AFID will be TRAN (Committee for Transport and Tourism), and the rapporteur designated is Ertug Ismail (S&D, Germany). Discussions are scheduled to start in Q1 of 2022 with a view to adopt a text in Plenary before the summer.

On 8 November 2021, the Council of the EU published a [report](#) on three files belonging to the 'Fit for 55' package, including the AFIR proposal. The report summarises the main provisions of the proposals and provides updates on the status of developments within the Council preparatory bodies. On the AFIR proposal, the Council agreed with the need for more infrastructure to support faster transition to the use of alternative fuels in transport. It also highlighted the need to clarify the assumptions for future developments and the needs in the Union regarding alternative fuels infrastructure. Moreover, it proposed adjustments in relation to more flexible targets for recharging and refuelling infrastructure in all modalities.

On 15 November 2021, the European Parliament TRAN Committee presented a [study on Alternative fuel infrastructures for heavy-duty vehicles](#). The study sets out the opportunities and challenges for the use and deployment of alternative fuels infrastructure in the EU for heavy-duty vehicles, in particular trucks. It also contains an assessment of the AFIR proposal and gives policy recommendations related to both AFIR and the review of the TEN-T Regulation.

On 13 December 2021, the European Parliament Committee for opinion ENVI (Committee on Environment, Health and Food Safety), published a [draft opinion](#) on the AFIR proposal, containing several amendment proposals. The proposals call for, among others, more financial and regulatory flexibility; the consideration of technological neutrality; the postponement of targets for electric vehicle charging points and hydrogen filling stations by three years; the extension of the obligation to support Liquid Natural Gas (NGL) infrastructure by three years; more clarity on the sub-definitions of alternative fuels; extended deadlines on progress reporting for Member States; and the extended Commission's plan to review the new law with a two-year referral period.



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Projects of Common Interest (PCI)

On 29 October 2021, the EU Agency for the Cooperation of Energy Regulators (ACER) published an [opinion](#) on the draft regional lists of proposed electricity projects of common interest for trans-European energy infrastructure. In the opinion, ACER calls

on the Regional Groups, responsible for proposing and reviewing projects of common interest to continue their work on further improving the transparency of the process and the methodologies for assessing the candidate PCI projects taking into account ACER's recommendations included in its opinions.

On 19 November 2021, the European Commission published the [Annex on the Commission delegated Regulation containing the Union list of projects of common interest \(PCIs\)](#). The document presents the principles applied to establish the list, the list of selected PCIs. Regarding smart electricity grids, five projects were selected: ACON (between Czech Republic and Slovakia), Danube InGrid (Hungary and Slovakia), CARMEN (Hungary and Romania), GABRETA (Germany and Czech Republic) and Green Switch (Austria, Hungary and Slovenia).



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Offshore Renewable Energy

On 30 November 2021, the European Parliament ITRE Committee (Committee on Industry, Research and Energy) adopted the [compromised amendments](#) on the [draft report on the European strategy for offshore renewable energy](#). The own-initiative draft report, led by Morten Helveg Petersen (Renew, Denmark) was published on 6 June 2021, and called for the creation of an enabling legal framework that allows for a higher level of coordination between Member States on offshore renewable energy, as well as the simplification of permit procedures and the adoption of a one-stop-shop approach for the Commission to publish guidance on sharing costs and benefits for offshore hybrid projects. Another main point of the draft report is the proposal for the revision of the electricity markets framework to boost the integration of offshore renewables and suppress market-distorting mechanisms. After the ITRE vote, the Plenary vote is scheduled for 17 January 2022.



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Energy Efficiency

Energy Efficiency Directive

After publishing its [proposal for recast](#) of the Energy Efficiency Directive (EED) on 14 July, the European Commission accepted feedback on until 19 November, which can be accessed [here](#).

Furthermore, on 19 November, the Council of the European Union published a [progress report](#) on the European Commission's proposed revision.

Here are some of the main points and positions of the EU Member States (MSs):

- Many MSs express concerns about the level of ambition of the new 2030 EU target and inquire how the Commission considered the cost-efficiency and the technical and economic potential of MSs when defining it.
- Regarding the increased 1.5% energy savings obligation up to 2030, several delegations consider that such an increase for all MSs is overly ambitious. Preliminary concerns were expressed also on the exclusion of savings from technologies using direct fossil fuel combustion and notably schemes promoting the replacement of old heating technologies with gas-operated systems or appliances.
- The MSs express broad support for the energy efficiency first principle. However, many also have concerns on the level of regulatory intervention proposed, the ambiguity of the provisions and the increased administrative burden.
- On the requirement of annually renovating 3% of the total floor area of the buildings owned by public bodies and achieving nearly-zero energy buildings (NZEB), MSs see it as too stringent, and emphasise that in many historic public buildings reaching these levels is not possible.
- When it comes to H&C, particular concerns are raised on the tightening of the criteria for the definition of an efficient H&C system. While agreeing with the objective of increasing primary efficiency and the share of renewable energy in H&C, there are questions on the prioritisation approach of some technologies over others, such as waste heat, high-efficiency co-generation and the general reference to renewable energy.

As next steps, the proposal will be reviewed by the European Parliament and by the Member States in the European Council. Thereafter, together with the European Commission they will enter negotiations before making it European law.

Energy Performance of Buildings (EPBD)

- **Recast proposal on the Energy Performance of Buildings Directive (EPBD)**

On 15 December, the European Commission adopted its legislative [proposal for a recast of the Energy Performance of Buildings Directive \(EPBD\)](#) and its [Annexes](#).

The recast is part of the wider 'Fit for 55' legislative package of proposals aimed at halving the EU's greenhouse gas (GHG) emissions by 2030. Since the buildings sector is one of the main sources of GHG emissions, this Directive is key for delivering the energy and emissions savings required for the Union's transition to climate neutrality by 2050. The new proposal widens the scope of the EPBD, incorporates new sustainability aspects, and attempts to give a boost to the renovation potential of the EU building stock.

Some of the main amendments and additions include:

- Substitution of the "Long-term renovation strategies" (LTRSs) by "Renovation Plans".
- Requirements for all new buildings to become zero-emission buildings by 1 January 2030, while simultaneously addressing non-energy related issues such as indoor climate conditions.
- Set up of Minimum Energy Performance Standards (MEPS) for buildings and building units owned by public bodies, non-residential buildings, and residential buildings.
- Delegated Acts will establish a common European framework for Renovation Passports by 2024, which will be issued by qualified and certified experts, following an on-site visit.
- New provisions on Technical Building Systems (TBS).
- Measures to push the application of the Smart Readiness Indicator (SRI) to non-residential buildings, with an effective rated output for heating systems, or systems for combined space heating and ventilation, of over 290 kW.
- Establishment of databases and provisions for data exchanges.
- Strengthening measures for the Energy Performance Certificates (EPCs).
- Provisions for the regular inspections of heating, ventilation, and air-conditioning systems, done by qualified and/or certified experts.
- Obligation on MSs to ensure the appropriate level of competence for building professionals carrying out integrated renovation works.

As next steps, the Commission will accept feedback on the proposal by 10 February 2022, which will be summarised and presented to the European Parliament and Council with the aim of feeding it into the legislative debate.

- **Parliament Own-Initiative Report on the Implementation of the EPBD**

On 15 December 2021, the European Parliament proposed measures to improve the energy performance of buildings, help the sector reduce emissions and contribute to the EU climate goals. These recommendations come from the non-binding Own-Initiative report initiated by the Committee on Industry, Research and Energy (ITRE), which informs on some of the initial positions of the MEPs on the recast of the EPBD.

Some of the main calls from the MEPs include increasing the renovation rate of the building stock to 3% per year and strengthening the current provision on the Long-Term Renovation Strategies (LTRSs). They also push for the development of minimum energy performance standards (MEPS), one-stop shops, a boost to the digitalisation of buildings and construction technologies, such as smart meters, smart charging, smart hearing appliances and energy management systems, etc. This comes alongside their call for decarbonisation of heating and cooling (H&C), and incentive schemes to replace old, fossil-based, and inefficient heating systems in buildings.

Quite importantly, the MEPs also encourage MSs to ensure effective, ambitious, and consistent implementation of the SRI scheme across the EU and to further integrate building automation and control systems (BACS).

For more details, you can find the full text [here](#).

- **Smart Readiness Indicator (SRI)**

On 16 December, the Smart Readiness Indicator Platform was launched during its first plenary meeting, organised by the European Commission - DG ENER and the SRI Support team, comprised of several consultants and research institutions.

The organisers familiarised the participants with the development of the SRI, the SRI Support team's helpdesk, training materials and tasks related to supporting MSs in the establishment of the SRI. They also introduced the management and operational rules of the Platform, its Working Groups, and the application procedure for joining them.

Furthermore, the three MSs, which have officially launched a test phase of the SRI in their countries, Austria, Denmark, and France, presented their testing programmes, their respective motivation and context, organisation, and indicative timelines.

The next meeting of the SRI Platform will take place in approximately six months.



DECARBONISATION & CLIMATE CHANGE

Sustainable finance

On 12 December 2021, the [Delegated Regulation](#) establishing technical screening criteria for economic activities “contributing to climate change mitigation or adaptation and causing no significant harm to environmental objectives” was published on the Official Journal of the EU. The Delegated Regulation traces back to 4 June 2021 and supplements the [Regulation on the establishment of a framework to facilitate sustainable investment](#). The Delegated Regulation enters into force on 1 January 2022.



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RESEARCH & INNOVATION

Issues of General Interest

Research Policy

- **Recommendation on the ERA Pact for Research and Innovation**

On 26 November, the EU Council adopted a new Pact for R&I which aims at strengthening Member States' coordination. In particular, [the Pact](#) includes

- i) a set of common EU principles and values for research and innovation;
- ii) shared priority areas for action;
- iii) investments and reforms, and
- iv) a simplified policy coordination and monitoring process.

The Pact sets the political framework for the development of a new European Research Area (ERA) which is defined in the Council conclusions on the ERA and the ERA Policy Agenda for 2022-2024 (see below).

- **Council Conclusions on the ERA governance**

The [Council conclusions](#) propose specific ERA actions contained in the ERA policy agenda for 2022-2024. The actions will be implemented on a voluntary basis by the Member States, in close cooperation with the Commission, countries associated with the Horizon Europe programme and other stakeholders. The text provides for representative involvement at relevant meetings of the ERA Forum for EU-level umbrella organisations, including of R&I intensive businesses and SMEs.

In addition, an open, online, voluntary stakeholder register will be set up to increase the transparency in the identification of the ERA stakeholders.

Annexed to the Council conclusions, the ERA Policy Agenda provides mid-term priorities and defines voluntary ERA actions. Among the 20 actions listed, the following are particularly relevant: Action 9 – Promote a positive environment and level playing field for international cooperation based on reciprocity; Action 10 – Make EU R&I missions and partnerships key contributors to the ERA; Action 12 – Accelerate the green/digital transition of Europe’s key industrial ecosystems (including the development of technology roadmaps); Action 15 – Build-up regional and national R&I ecosystems to improve regional/national excellence and competitiveness; Action 20 – Support to the prioritisation, coordination and direction of R&I investments and reforms.

Member States will identify the ERA Actions in which they wish to participate. By mid-2022, the Commission will present a monitoring and evaluation framework to assess the progress in the implementation of the ERA. The implementation of the policy agenda should be reviewed every 18 months. The Commission will also present a report on the state-of-play of the policy agenda.

More information is available in the press release [here](#).

- **Important Projects of Common European Interest (IPCEIs)**

On 25 November, the Commission adopted revised [rules](#) for the IPCEIs. The main changes are aimed at differentiating between breakthrough projects in the R&D and first industrial deployment stages on the one hand, and, on the other hand, “large infrastructure projects of great importance for the EU in different sectors” such as “environmental, energy, transport, health or digital sectors”.

As an example, this move would open up the possibility to use the instrument to finance mega-factories in the microchips sector. The update also requires IPCEIs to comply with the “do no significant harm” principle, which states that adverse effects on the environment should be avoided. The text also includes reference to SMEs and the need for IPCEIs to ensure their participation in the projects. The new rules (adopted as a Communication) will apply as of 1 January 2022.



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PUBLICATIONS & EVENTS

PUBLICATIONS

Author	Date	Title
JRC (Joint Research Centre)	2021	The status of the quantification of microplastics in water
EUROSTAT	October 2021	SMEs weight in EU's international trade in goods
European Commission	October 2021	Overview of EU's active dispute settlement cases (WTO)
European Parliament	January 2021	Briefing – Priority dossiers under the French EU Council Presidency
European Parliament	December 2021	Briefing – Fit for 55 package: Recasting the Energy Efficiency Directive
European Parliament	December 2021	Study – Key enabling technologies for Europe's technological sovereignty
European Parliament	December 2021	Study – Cross Border Enforcement of Intellectual Property Rights in EU

European Parliament	December 2021	Briefing – The NIS2 Directive: A high common level of cybersecurity in the EU
Eurelectric	November 2021	Towards an increased EU RES ambition- leveraging the electric decade
European Parliament	November 2021	Briefing – Artificial intelligence act
European Parliament	November 2021	Briefing – A common charger for electronic devices: Revision of the Radio Equipment Directive
European Parliament	November 2021	Study – Trade aspects of the EU-Mercosur Association Agreement
European Parliament	November 2021	Briefing – Rules of origin in EU trade agreements
European Parliament	November 2021	Briefing – Revision of the TEN-E Regulation: EU guidelines for new energy infrastructure
JRC (Joint Research Centre)	2021	Decarbonisation of Heavy Duty Vehicle Transport: Zero emission heavy goods vehicles
ENTSO-e	2021	Winter Outlook Report 2021/22 and Summer Review 2021
European Commission	8 December 2021	Energy and Industry Geography Lab

European Parliament	December 2021	The road to energy efficiency
JRC (Joint Research Centre)	16 December 2001	The impact of PCI projects on the current and future European power & gas systems
European Commission	26 October 2021	Report on the functioning of the European Carbon Market in 2020

EVENTS

Organiser	Date	Name & Location
Hydropower Europe	18 January 2022	Implementing the EU Taxonomy in the Energy Industry Online
European Internet Forum	25 January 2022	Artificial Intelligence and data standards Hybrid event
Kościuszko Institute	25 January 2022	CYBERSEC – European Cybersecurity Forum Online
Forum Europe	25-26 January 2022	The European 5G Conference 2022 Online
EESC	31 January 2022	Critical raw materials: an essential building block for the future of Europe

		Brussels, Belgium
European Commission and Fraunhofer Institute for Systems and Innovation	31 January 2022	Energy Transition Expertise Centre Stakeholder Workshop Online
Euractiv	1 February 2022	Supporting SMEs Post-Pandemic – How can Policymakers ensure Digital helps SME Growth? Online
Euractiv	2 February 2022	An Effective Digital Markets Act – What Balance will Achieve Certainty for all Stakeholders? Online
European Commission	8-11 February 2022	EU Industry Days Brussels, Belgium
Tondo	10-11 February 2022	Re-Think – Circular Economy Forum 2022 Milan, Italy
EFFRA	18 February 2022	ConnectedFactories : Use cases and demonstrators of Digitalisation of manufacturing event Online
French Ministry for the Ecological Transition	1-2 March 2022	Multi-Stakeholder Conference on the Circular Economy Brussels, Belgium

French Ministry for the Ecological Transition	7- 8 March 2022	European Climate Conference Nantes, France

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