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The arrow and number next to the title of the issue refers to the barometer above and gives you a hint on the stage reached by the (draft) Directive or Regulation.



MARKET SURVEILLANCE OF PRODUCTS: MAKE IT SMARTER, NOT HEAVIER

On 13 February, it will be four years since the former EU Commissioner for Enterprise and Industry, Mr. Antonio Tajani, proposed a “Product Safety and Market Surveillance Package” to the European Parliament and the Council of the EU. The examination of the package has been put on hold for an indefinite period of time by the Council, as Member States were divided into two blocs regarding the disputed measure suggesting that all goods intended for consumer use be subject to a mandatory “made in” marking.

Orgalime – which has long been supportive of a reinforced market surveillance system – eventually called for the withdrawal of this package, following the first-reading vote of the European Parliament. The amendments introduced to the revision of the General Product Safety Directive, including the vote in favour of the mandatory marking of origin,

would create far too great a burden for manufacturers, in particular SMEs. Besides, the Council has reduced the market surveillance measures to a toothless framework that would not make many changes to deter rogue market operators from unfairly challenging legitimate manufacturers by placing non-compliant products on the EU Single Market. However, it is unlikely that the European Commission will withdraw its 2014 proposal any time soon: since January, the European Parliament has a new President... Mr. Antonio Tajani!

This is why Orgalime welcomed the prospect of a new legislative proposal from the Commission (DG Growth) on “Enforcement and Compliance”, which would consider stimulatory measures to assist legitimate operators in improving their level of compliance with EU legislation, while bringing the Member States

to face their duties in a more coordinated and efficient manner ([more](#)).

Last year, Orgalime responded to an EU public consultation on this topic, the results of which have been made publicly available [here](#). Early this year, Orgalime also responded to consultancies who are carrying out a cost-benefit analysis on the implementation of the market surveillance aspects of Regulation 1025/2012 on behalf of the European Commission. We stressed our rejection of an EU “digital compliance” system, which would call on economic operators to upload product information into an EU-run enforcement database for Member State authorities.

The Commission’s legislative proposal on “Enforcement and Compliance” is tentatively scheduled to be announced on 17 June 2017.

DON'T TOUCH OUR MACHINERY DIRECTIVE 2006/42/EC!

Within the framework of the ongoing evaluation of the Machinery Directive (2006/42/EC), to which Orgalime has actively contributed to date by responding to both the [Commission’s public consultation](#) and the [consultant’s targeted consultation](#), the Machinery Core Group is now drafting a general position paper to address the main messages that should be conveyed to policy makers. Indeed, the evaluation study is one of the first steps towards a potential revision of this important piece of legislation for Orgalime members.

In our position paper, which should be ready for mid-spring, the key messages that will be developed can be summarised as follows:

- The Machinery Directive is a core piece of legislation for Orgalime industries and

contributes to the economic growth of the EU

- The current Machinery Directive is a key example of excellent performance, as it ensures a high level of safety for both users and workers while making a key contribution to the Internal Market
- The engineering industries are mainly composed of small and medium-sized enterprises that need legal certainty and a stable legal framework
- The broad and open scope of the Machinery Directive already takes into consideration the emergence of new technologies in a changing business environment

Of course, there are some issues that could be clarified, but these clarifications can be performed through the use of non-legislative

instruments (for instance the Commission’s [Guide to Application of the Machinery Directive](#), to be updated in the coming months). This is mainly the case for the substantial modification of machines and the language used for the Declaration of Conformity.

The main conclusion of our position will therefore be that a piece of legislation which performs well and guarantees a high level of safety should not be reviewed!

Within the framework of the revision of the Guide to Application of the Machinery Directive, the European Commission will set up an Editorial Group to discuss the future revision of the guide.

We are pleased to inform our members that Orgalime will be represented in this Editorial Group.

ELECTROMAGNETIC COMPATIBILITY DIRECTIVE GUIDE: A BALANCE OF THE ORGALIME SUGGESTIONS

On 18 January 2017, the European Commission (EC) made available a new draft guideline on the application of the Electromagnetic Compatibility Directive (EMCD 2014/30/EU). The new draft EMCD Guide integrates the comments and changes from the EC services, which were at the centre of the discussions at the last EMCD Working Party meeting on 1 February 2017.

We have been supporting our members in bringing their comments and suggestions on the EMCD Guide to the EC whenever the opportunity arises.

To help guide our members through the latest draft EMCD Guide, we circulated a brief assessment of our [last contribution](#) compared to the [recent document](#) where we flagged the most relevant changes from our perspective. The new EMCD Guide is largely based on the 2010 version, where we directed our actions mostly in three main areas: clarifying the EMCD scope, making sure the Guide only addresses EMCD-specific requirements, and aligning the references of the EMCD with other pieces of EU legislation.

Our success is marked by the large extent to which our suggestions were considered in various areas in the EMCD Guidelines. On the scope, we managed to clarify that induction motors do not fall under the scope of the EMCD, as you may observe in the chapter on “Inherently benign equipment” (pages 14 and 20). On aligning references with the EMCD, in the chapter on “Information on traceability”, we avoided any reference to the Authorized Representative being obliged to put his name/trademark and his address on the product, clarifying that such an obligation is the responsibility of the importer (page 35).

Moreover, following the concerns of some of our members, we managed to secure a more industry-friendly text on custom-built evaluation kits, with a broader definition of “custom-built”, allowing more products to benefit from this exemption.

On the topic of the listing of EMCD standards under the Radio Equipment Directive (RED), the EC reaffirms its view that a detailed Annex ZZ must accompany each standard. This stance obliges Orgalime to insist on a more flexible Commission

approach. Therefore, we will prepare a position paper outlining our discontent with the situation under many NLF Directives. If you have any questions about our action on the EMCD Guide please [email us](#).

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Trade/R&D&I/Legal

CETA GOES AHEAD WHILE TTIP IS TEMPORARILY ON HOLD

The Comprehensive Economic and Trade Agreement (CETA) between the European Union and Canada was signed on 27 October in Brussels during the EU-Canada summit. Negotiations between the EU and Canada started back in 2009. In mid-2014, the conclusion of the EU-Canada negotiators was announced. Following the replacement of the investor-state dispute settlement (ISDS) arbitration system with the Investment Court System (ICS) at the request of the EU, the legal review of the text was completed in February 2016.

Orgalime welcomes CETA since it eliminates tariffs for engineering products, simplifies customs procedures and opens up public procurement both at federal and regional level in Canada. Orgalime, together with the

Alliance for a Competitive Industry, sent a letter to the Members of the European Parliament ahead of the vote to highlight our support for this landmark agreement.

The next step in the process is the consent of the European Parliament, after which most parts of the CETA agreement can be provisionally applied. The International Relations Committee (INTA) of the European Parliament has given its green light with an overwhelming majority. Now, the European Parliament plenary will need to give its approval in February 2017.

Following the election of Donald Trump in the United States, the future of the Transatlantic Trade and Investment Partnership (TTIP) is unclear. Mr. Trump, who is not overly supportive of foreign trade, has signed an executive order to

undo the Trans-Pacific Partnership with Asian countries. His strategy vis-à-vis trade with Europe is not yet clear. Hence, it is foreseen that TTIP negotiations will slow down in the first semester of 2017.

Following the US elections, Orgalime addressed a letter to the European Commission strongly encouraging the continuation of TTIP negotiations with the United States. This is a key long-term priority for our industry, with its objective of formulating a comprehensive, exemplary transatlantic agreement for the liberalization of trade in products and services. The European Commission has responded that it is keen to continue negotiations on TTIP once the new US team is in place.

CONFLICT MINERALS – REGULATION ON THE WAY!

On 15 June, a political understanding between the European Commission, the European Parliament and the Council was found on conflict minerals. Now, the three institutions have found an agreement on the text of the Regulation.

The Regulation entails mandatory reporting for smelters and refiners (upstream industries) of tin, tantalum and tungsten (3Ts) and gold as well as for most importers. Around 95% of the volume of imports is set to be covered by the mandatory scheme.

Downstream industries are exempted from mandatory

reporting, which is what Orgalime has been advocating for. The European Commission will develop guidelines and tools, including Key Performance Indicators, in order to encourage voluntary reporting for downstream companies that employ more than 500 people, in accordance with the non-financial reporting Directive. The Regulation will also recognise existing industry schemes that are aligned with the OECD guidelines. The Regulation will apply as of 1 January 2021, allowing for a three-and-a-half-year transitional period. The first review of the Regulation is scheduled for two

years after its entry into force. Orgalime had the opportunity to meet with the European Commission to discuss the details of the Regulation, in particular key performance indicators and the recognition of industry schemes.

Now the text will need to be formally endorsed by both the European Parliament and the Council. The International Relations (INTA) committee of the European Parliament has already given its green light, paving the way for a swift adoption by the Council and the plenary of the European Parliament.

HORIZON 2020 MID-TERM REVIEW: ORGALIME LINING UP TO FIGHT FOR THE INDUSTRIAL PILLAR...

The current research framework programme Horizon 2020 has a budget of nearly 80 billion euro over 7 years, of which 17 billion goes to the Industrial Leadership pillar and 29.7 billion to the Societal Challenges pillar. In 2015, for-profit entities represented 32.6% of total participation in signed grants in Horizon 2020.

With our industry actively participating in many projects that bring significant benefits to participants, Orgalime contributed to the public consultation of the European Commission on the mid-term evaluation of Horizon

2020 in mid-January. In parallel, Orgalime has also published a position paper on the subject, which it sent to seven Commissioners and Vice Presidents of the European Commission. The position paper was also sent to Pascal Lamy, chair of the High Level Group dedicated to the mid-term review for which Orgalime proposed an expert. Orgalime is closely following the work of the High Level Group, and will do its utmost to promote its messages towards the European Commission, European Parliament and Council in the coming weeks and months.

Among other points listed in the position paper, we call for:

- The EU to build on its strengths – with engineering being one of Europe's major assets.
- Retention of the Industrial Leadership pillar and its current budget, including PPPs that are providing a boost to Europe's competitiveness and growth.

The safeguarding of data confidentiality to ensure the participation of industry in Horizon 2020.

... ESPECIALLY TO RETAIN THE INDUSTRIAL PILLAR IN FP9

In parallel to the mid-term review of Horizon 2020, the discussion on the future of the next EU research Framework Programme (FP9) has started. Orgalime believes that industrial collaborative research should be further supported, that

grants are needed for excellent R&I, that the European added value lies in the dynamics arising from a consortium, and that the excellence principle is key. Orgalime will promote these messages to public authorities

and make sure they understand that industrial collaborative research is a policy which is clearly supportive of European competitiveness.

EIC – ORGALIME MONITORING CAREFULLY

The European Commission has announced the names of the members of the High Level Group on the European Innovation Council (EIC). These members are mainly from the venture-capitalist and start-up world, providing some hints on where the Commission wants the EIC to go. Orgalime analyses that this could mean competition from the future EIC (programme or organisation) for European research and innovation funds. In the worst-case scenario, this could lead to a reorganisation of the allocation of the funds from collaborative industrial research to single

beneficiary start-up support – something that would definitely be contrary to the interests of most engineering firms.

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NEWS FROM THE SUSTAINABLE TRANSPORT FORUM

Two subgroup meetings under the Sustainable Transport Forum were held in January.

Orgalime participated in the Sub-Group Implementation of the Directive 2014/94/EU, held on 18 January. The main purpose of this meeting was to hear feedback from the Member States on the National Policy Frameworks and transposition of the Directive. However, only two Member States were present at this meeting and the Commission reported that

overall only 11 Member States have delivered their National Policy Framework by the given deadline of 18 November 2016 in line with the Directive 2014/94/EU. The subgroup meeting on Alternative Fuels in Cities was then held on 24 January. The main point of this meeting was the development of and the access to policy options regarding possible amendments of the Clean Vehicles Directive and the agreement on the definition of a

clean vehicle. Discussions will continue, as no agreement on this definition has yet been reached.

All deliverables were properly circulated and Orgalime provided comments on inputs.

The next Sub-Group Implementation of Directive 2014/94/EU is due to convene early May, and the Sustainable Transport Forum Plenary meeting will be held in June 2017.

ORGALIME CALLS FOR BETTER IMPLEMENTATION OF EU REACH REGULATION RATHER THAN OPENING THE PANDORA'S BOX

In January, Orgalime responded to the REACH Refit [consultation](#) on the functioning of the REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) Regulation, the EU's horizontal legislative framework on chemicals management. The consultation, launched by the European Commission, will feed into its ongoing evaluation of the operation of this piece of legislation. The EU executive will use this information, as well as the input gathered from a number of [studies](#), to support their decision as to whether or not to propose an amendment of the Regulation.

The general assessment provided by Orgalime was that while there is certain room for improvement, the REACH Regulation is generally fit-for-purpose and there is no need to amend it at this stage. Instead, Orgalime called for efforts to further improve its implementation, providing concrete suggestions for each of the areas covered by REACH: from the quality of data on substances registered under REACH, to the need to undertake throughout Risk Management Option Analysis; from the identification of Substances of Very High Concern, to substances

authorisation and restriction; from communication across the supply chain to REACH enforcement; and from costs and administrative burden to the interface between REACH and the Restriction of Hazardous Substances (RoHS) Directive.

The Commission is expected to issue a report summarising its conclusions in June 2017. This matter is high on the agenda of Orgalime TF Substances, which will continue to follow these developments very carefully.

WASTE LEGISLATIVE PACKAGE: EP TAKES A STEP IN THE RIGHT DIRECTION, BUT IMPORTANT ASPECTS STILL TO BE IMPROVED

Ahead of the European Parliament ENVI Committee's vote on the waste legislative package on 24 January 2017, Orgalime provided members of the Parliament, the Commission and the Council with its [detailed position](#) in December and a [letter outlining its political priorities](#) in January. After the vote, Orgalime issued a [press statement](#) providing its initial assessment of the outcome:

- We welcome the clear progress made on a stricter approach to landfill and recycling targets, more investment to be directed into waste infrastructure improvements, better

reporting of data from all actors collecting or treating Waste Electrical and Electronic Equipment (WEEE) and an appropriate definition of "preparation for reuse", as well as a number of important improvements made in the interest of preserving a functioning Internal Market for products.

- However, there is still some way to go to arrive at a final Waste Directive that will have no risk of negatively impacting the Internal Market. Areas of concern remain regarding several proposals on product-related aspects as well as financing obligations of

producers' subject to Extended Producer Responsibility Schemes, the inclusion of WEEE in the definition of "municipal waste" or the establishment of harmonised product criteria for modulated fees and related creation of a new platform remain to be remedied.

The plenary vote in the Parliament is expected mid-March and negotiations with the Council will start once Member States agree a common position. We are now preparing a position calling upon the Council to resolve the above points.

CIRCULAR ECONOMY IMPLEMENTATION REPORT ISSUED

On 26 January, the Commission published its [Report on the implementation of the Circular Economy Action Plan](#) and [annex](#). On the one hand, this takes stock of the progress made and actions delivered since the adoption of the 2015 Circular Economy Action Plan, while also outlining the planned key initiatives for 2017.

Together with the report, the Commission also:

- Took further measures by establishing a Circular Economy Finance Support Platform with the European Investment Bank (EIB) to

bring together investors and innovators

- Issued guidance to Member States on converting waste to energy: [Communication on the role of waste-to-energy](#)
- Proposed a targeted amendment of the Restriction of Hazardous Substances (RoHS) legislation on certain hazardous substances in electrical and electronic equipment (EEE), which we welcome: [Proposal for amending RoHS Directive, impact assessment](#) and [executive summary of the impact assessment](#).

These issues we discussed with Mr Calleja Crespo, Director General of DG Environment.

Finally, on the following day the Commission released its roadmap on the envisaged Communication on the Interface of Chemicals, Waste and Product Policies due for Q4/2017. The roadmap identifies four issues that create obstacles to a smooth transition of recycled materials from waste to new products, and seeks stakeholders' views on the matter. Orgalime is currently working on a position paper on this matter.

CLEAN ENERGY FOR ALL EUROPEANS PACKAGE

Following the adoption of the new energy package on 30 November 2016, the European Parliament (EP) and Council are starting negotiations. In December, the EP plenary held an exchange of views, and in January Commission Vice President Šefčovič presented the package to the lead EP ITRE Committee. The initial nominations of lead parties and Rapporteurs have been made:

- EPP: Krisjanis Karins (Market Design); Bendt Bendtsen (EPBD)
- ALDE: Morten Helveg Petersen (ACER-Regulation)
- Greens: Governance Regulation (Rapporteur tbc)
- S&D: RES and Energy Efficiency Directives (Rapporteurs tbc)

In Orgalime, we have held two face-to-face meetings and four conference calls since the package's adoption to assess the details of the proposals. Following our [press release](#) and [open letter to MEPs and the Council](#), we are now drafting our position paper in view of our event at the EP

together with the European Forum for Manufacturing on 28 February 2017. Mr. Ristori, Director General at the Commission's DG Energy, has kindly agreed to hold the keynote speech.

The Maltese Presidency aims to adopt a common approach on the Energy Efficiency Directive (EED) and Energy Performance of Buildings Directive (EPBD) by June and to also make progress by that time on the other legislative proposals.

Finally, Mr. Šefčovič has announced plans to establish a Clean Energy Industrial Forum to periodically discuss with key stakeholders Europe's competitive position and how to foster jobs, growth and investment in Europe. Orgalime is filing its application to participate in this forum, which reflects very well our call to set up a structured dialogue with our industry. Mr. Šefčovič is also planning to go on a second Energy Union Tour through EU Member States.

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