

# April 4, 2024 POLICY MONITORING BRIEF

### **POLICY ISSUES**

## DEFORESTATION REGULATION (EUDR) - BUSINESS COALITION CALLS FOR CLARIFICATION ON THE IMPLEMENTATION OF EUDR

With eight months to go before the regulation comes into force at the end of 2024, these clarifications are "urgently needed", say twenty-three organisations in <u>an open letter</u> to several European leaders on 28 March. They are awaiting the publication of the guidelines promised by the European Commission and intended to help operators and retailers comply with the new obligations. They are also unconvinced by the beta version of the information system on which traders will have to enter data proving that products are not derived from deforestation. "If adequate responses are not found [...], we cannot rule out serious disruptions in all commodity supply chains", the organisations warn. Among the signatories are the Confederation of European Paper Industries (Cepi) and Copa-Cogeca, representing farmers and agri-food cooperatives. The letter was published a few days after several Member States called for a "targeted revision" of the regulation.

03/04/2024

## POLITICAL GROUPS' REACTIONS TO PACKAGING AND PACKAGING WASTE REGULATION

<u>S&D</u>: Thanks to S&Ds, the EU to curb packaging pollution through waste reduction, reuse, and recycling. <u>Renew Europe Group</u>: Packaging deal: Renew Europe succeeds in eliminating PFAS chemicals from food contact packaging.

Source: OPP March 2024

## EU REGULATION ON FOREST MONITORING FALLS INTO LIMBO IN THE EUROPEAN PARLIAMENT

Presented by the European Commission in November 2023, the legislative proposal will not be adopted before the end of the current mandate. At the European Parliament, the rapporteurs of the two committees responsible for the dossier - Juozas Olekas for Agri and Emma Wiesner for Envi - have even given up on presenting a draft report before the elections, as all the shadow rapporteurs have not yet been appointed, Juozas Olekas' entourage told Contexte on 2 April. The torch will therefore be passed to the elected MEPs on 9 June. On the national level, work is progressing (a little) more quickly: the Belgian Presidency of the Council of the EU hopes to adopt a general approach by the end of June. To date, the ad hoc committee responsible for the dossier has met only three times.

Source: Contexte 03/04/2024

#### **EU NATURE RESTORATION LAW**

According to Contexte, Alexander De Croo stated in an interview with the Belgian weekly De Zondag on March 31st, "This is a bad law." The proposal for the regulation "will create more uncertainties," according to the liberal politician. "It's possible that you won't be able to build anymore, and that land currently used for agriculture will be taken away from you. I disagree with that," he added. The fate of the regulation on nature restoration is uncertain, as the EU Council no longer has a qualified majority to

adopt the agreement negotiated in trilogue. Belgium holds the presidency of the EU Council until June and must, within this framework, "play the role of an honest and neutral intermediary."

Source: Contexte 04/04/24

### EMISSION TRADING SYSTEM: RECORD REDUCTION OF 2023 ETS EMISSIONS DUE LARGELY TO BOOST IN RENEWABLE ENERGY

Last year's emissions under the EU's Emission Trading System (ETS) show the most significant annual emissions reductions since the ETS was launched in 2005. The main driver is the power sector's significant progress in decarbonisation. Link to article <a href="https://example.com/html/>h

Source: European Commission 03/04/24

### **EU CORPRATE DUE DILIGENCE DIRECTIVE (CSDDD)**

European Commission Executive Vice President Valdis Dombrovskis expects that supervising new due diligence rules for companies' supply chains will cost member countries "€130,000 initially and €5.55 million annually," according to his answer to a question from German lawmaker Markus Buchheit. Below initial cost estimates: The financial burden for companies — initially estimated at €220 million in one-off costs and €760 million in annual recurring costs — "should be even lower" in the final analysis since the latest negotiations have raised the threshold for larger firms, he said.

Vote coming up: The due diligence proposal is slated for a vote by the Parliament plenary on April 24. It only got backing from EU governments following big concessions to larger EU countries.

Source: Politico 03/04/24

### NGOS COALITION CALLS FOR RESOURCE SUFFICIENCY AND RESILIENCE: EUROPE'S CLIMATE AND RESOURCE STRATEGY

On Tuesday 26 March, 75 European environmental NGOs published a manifesto on resilience and sufficiency, calling on the next European Commission to tackle Europe's dependence on resources in order to meet urgent security, climate and social challenges. The organisations are specifically calling for an EU strategy targeting resource sufficiency - particularly energy sufficiency - to be published in the first year of the next European Commission mandate. Link to article <a href="https://example.com/here/bullet/here/bul

### EUROPEAN COMMISSION FACILITATES AND CLARIFIES INFORMATION ON ENERGY EFFICIENCY AND ECODESIGN OF HOUSEHOLD APPLIANCES

On Tuesday 2 April, the European Commission launched a new web portal to make information on the energy efficiency of household products and appliances more accessible to the public. It has also adopted new rules to better guarantee the quality of online information on products with an energy label.

Source: Agence Europe 03/04/2024

## PLASTIC IMPORT: COMMISSION PROTECTS EU INDUSTRY FROM PET PLASTIC DUMPING FOR NEXT FIVE YEARS

The European Commission has imposed definitive anti-dumping duties on imports of certain polyethylene terephthalate ('PET') from China, defending EU companies and more than 1,500 jobs. The EU market of PET has a value of over €5.5 billion. Link to article here

Source: European Commission 03/04/24

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### FOOD CONTACT MATERIALS: WTO CONSULTATION LAUNCHED ON PLASTIC FCMS

The World Trade Organisation (WTO) members can comment on the draft Commission Regulation on plastic materials and articles intended to come into contact with food and good manufacturing practice until 24 May 2024. Governments are required to submit the notification in advance of implementing a proposed new regulation to provide trading partners with an opportunity to comment. The comments submitted are not expected to be made publicly available. The Commission is still tentatively expected to present the draft measure to the Novel Food and Toxicological Safety Committee for an opinion on April 24, 2024.

Source: WTO 27/03/24

#### PLASTIC TREATY UPDATE

The next round of negotiations on a global plastic treaty is rapidly approaching — and time is of the essence. A new note published today by the chair of the intergovernmental negotiating committee stresses that it's "essential" to "make as much progress as possible" at the talks kicking off April 23. That's amid doubts — including from within the European Commission — over whether negotiators will be able to strike a deal on the final text by the end of this year as planned. Civil society groups characterized the last round of talks as a flop.

The main goal of this month's negotiations, according to the chair, is to produce a draft text of the "international legally binding instrument on plastic pollution" that is "sufficiently advanced to enable it to be finalized" during a final round of talks in November.

Source: Politico 04/04/24

### FRENCH PFAS BILL IN PROGRESS

French MPs today are voting on a new bill aimed at reducing pollution caused by per- and polyfluoroalkyl substances — also known as PFAS or "forever chemicals" due to their inability to naturally break down in the environment.

European context: The European Chemicals Agency is currently working on a draft proposal to ban the chemicals put forward by Denmark, Germany, the Netherlands, Norway and Sweden — and backed by France.

Source: Politico April 2024

#### EU DIRECTIVE ON PROMOTING THE REPAIR OF CONSUMER GOODS

According to contributions from various Directorates-General of the Commission to the inter-service consultation on the directive concerning the right to repair, published by the executive in mid-March 2024, skepticism has arisen regarding the concept of "impossible repairs." The directive had undergone a political agreement between the Parliament and the Council in early February 2024. The Joint Research Centre expressed regret over the absence of a European definition for "impossible repairs" and the obligation to provide a reasonable price for repairs in the draft text. The Directorate-General for Industry and Internal Market also sought clarifications regarding these "impossible repairs." The Directorate-General for Environment criticized the limitation of the obligation for a manufacturer to repair a product only to those covered by the eco-design regulation. This extension had been advocated by the Parliament but without success. Other contributions, including that of the Directorate-General for Competition, were also published.

Source: Contexte 04/04/24

### **PUBLIC CONSULTATIONS**

- ESMA is consulting on credit rating agencies' use of green factors in their calculations and disclosures. Deadline: The consultation is open for comments until June 21, with ESMA planning to submit its final advice to the Commission on the changes by the end of the year.
- EU : Food safety plastic food contact materials (FCMs) (deadline 10 April) Link here
- <u>EU emissions trading system</u> update of the Verification and Accreditation Regulation Deadline 15 April 2024
- EU: Single Market Programme interim evaluation (deadline 31 May 2024) Link here
- <u>Climate reporting</u> amended templates to reflect 'Fit for 55' outcomes (deadline 11 April 2024)
   <u>EU: Chemical safety better access to chemicals data for safety assessments</u>; EU chemicals data portal; European Commission (Deadline April 4, 2024)
- USA: <u>Listing of specific PFAS as hazardous constituents</u>; Environmental Protection Agency, Deadline April 8, 2024

### STUDIES/REPORTS/ARTICLES

## JRC REPORT ON IMPACTS OF THE COLLECTION AND TREATMENT OF DRY RECYCLABLES

This study focuses on the separation, collection and subsequent management of the dry recyclable fractions (i.e. beverage cartons, glass, metal, paper and cardboard, and plastic) of municipal waste in the EU-27. The goal of the study is to recommend compliant/noncompliant and, in general, best commingling practices for the separate collection of dry recyclables in view of the obligations set by the EU Waste Framework Directive and its upcoming revision. Link to <u>JRC Science for Policy Report</u>.

## EUROPEAN AGENCY FOR FUNDAMENTAL RIGHTS - REPORT ON ENFORCING CONSUMER RIGHTS TO COMBAT GREENWASHING

Consumer laws are more effective than environmental laws at fighting greenwashing because they are designed to protect individuals from misleading advertising produced by companies, according to a new report by the European Agency for Fundamental Rights (FRA) presented during a meeting of the European Parliament's internal market committee. The EU is working on introducing more severe penalties for greenwashing as part of the Green Claims Directive. The directive is not expected to be finalized before the EU elections in June, meaning work will continue under the next mandate.

Source: Politico 03/04/24

## WORLD RESOURCES INSTITUTE REPORT SAYS WORLD 'FAR OFF TRACK' TO STOP DEFORESTATION BY 2030

Global deforestation slightly decreased in 2023 compared to 2022 but remains high, according to the latest assessment of tree cover loss by the University of Maryland and the World Resources Institute. Published today, the report shows that the world is "far off track" and "trending in the wrong direction" when it comes to meeting its goal of stopping and reversing global deforestation by 2030, said Rod Taylor, global director for forests at the World Resources Institute. Link to **REPORT HERE** 

The rate of deforestation in the Amazon rainforest last year reached its lowest level since 2015, according to the data. President Luiz Inácio Lula da Silva's work to improve the recognition of indigenous peoples' rights and enforce forest protection law "appear to be having an impact" on reducing the deforestation rate, the report explains. The EU Deforestation Regulation aims to incentivize countries to

stop deforestation to keep exporting their products to the EU. But the rules currently only cover forests, not the degradation of other ecosystems like savannahs and wetlands, which also host precious biodiversity.

Source: World Resources Institute 04/04/24

## JRC REPORT ON MEASURING TRANSITION TO A COMPETITIVE AND SUSTAINABLE ECONOMY

Measuring transition to a competitive and sustainable economy. This report explores the transition to a competitive and sustainable economy, which is at the heart of EU strategies to achieve climate neutrality while increasing economic efficiency. An indicator to measure the competitive and sustainable transition at regional level is presented based on Santos et al. (2023). The indicator accounts for shifts in employment towards greener and more productive sectors over the 2008-2020 period. JRC Science for Policy Report.

### **EVENTS**

#### CIRCULAR ECONOMY FORUM- BRUSSELS 15- 18 APRIL

The world's leading event for circular economy thinkers, doers and leaders hits Brussels in April 2024, showcasing the most impactful circular solutions from around the world. Register here: <a href="https://wcef2024.com/">https://wcef2024.com/</a>