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COVER NOTE

from: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

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to: Mr Uwe CORSEPIUS, Secretary-General of the Council of the European
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Executive summary of the Impact Assessment *accompanying the document*
proposal for a Regulation of the European Parliament and of the Council
on the prevention and management of the introduction and spread of invasive
alien species

Delegations will find attached Commission document SWD(2013) 322 final.

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COMMISSION STAFF WORKING DOCUMENT

EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT

Accompanying the document

**Proposal for a regulation of the European Parliament and of the Council
on the prevention and management of the introduction and spread of invasive alien
species**

{ COM(2013) 620 final }
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COMMISSION STAFF WORKING DOCUMENT

EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT

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Proposal for a regulation of the European Parliament and of the Council

on the prevention and management of the introduction and spread of invasive alien species

Executive summary

1. PROBLEM DEFINITION

There are two facets to the problem of IAS in Europe: 1) the ecological problem created by their entry, establishment and spread, 2) the policy failure caused by the fragmented and incoherent policy set up at EU and national levels that is allowing the ecological problem to grow.

An ecological problem - Alien species are species that are transported as a result of human action outside of their natural range across ecological barriers. Scientific evidence shows that out of these alien species 10-15 % has a significant negative impact on biodiversity as well as serious economic and social consequences: these are the Invasive Alien Species (IAS). There are two main causes: 1) certain alien species are desirable and brought, e.g. through trade, into the EU (e.g. commercial interests, ornamental purposes, companion animals, biological control); 2) some alien species are unintentionally introduced as contaminants of goods (trade in other commodities) or can be hitchhikers or stowaways in transport vectors. IAS are estimated to have cost the EU at least €12 bio/yr over the past 20 years. They affect businesses, including small and microenterprises (e.g. coypu impacting agricultural production), citizens (e.g. ragweed causing allergies), public authorities (e.g. muskrat damaging infrastructure) and biodiversity (e.g. ruddy duck threatening the native white headed duck). As volumes of trade and transport are growing, also the number of introduced IAS is increasing. Moreover, as introduced IAS establish and spread, the damage caused per IAS is growing, leading to increasing growth in damage. If no appropriate action is taken, the cost to the EU is expected to increase accordingly.

A policy failure - Very few Member States have a comprehensive legal framework to address the problem and most rely on species-specific, *ad-hoc* action, leading to a piecemeal approach and uncoordinated action to tackle a problem that is transboundary in nature. Currently, EU legislation only addresses pests and disease agents that affect plants and animals and alien species introduced for aquaculture (regulated respectively through the plant health regime, the animal health regime and the regulation on the use of alien species in aquaculture), leaving a substantial share of the problem unaddressed. Furthermore, current action on IAS in the EU Member States is predominantly reactive, seeking to minimise the damage already being caused.

All Member States are affected by IAS, albeit at different times and by different species, as some IAS affect most of the EU, while others are only a problem in certain regions, or under certain ecological or climatic conditions. It can be assumed that countries with higher trade volumes and numerous entry points are likely to suffer more introductions of IAS. It is not possible to ascertain the magnitude or concentration of intra-EU movements as there are no internal checks for commodities or monitoring of aliens species moving in the wild across the borders. As IAS impacts are relevant to the whole of the EU, coordinated action to tackle IAS would benefit all EU Member States, while clearly requiring efforts from all Member States.

2. IS EU ACTION JUSTIFIED ON GROUND OF SUBSIDIARITY?

The fact that the number of IAS is increasing despite the current policies/initiatives, indicates that the present approach is not effective. Since species do not respect borders, EU action will be justified. Coordinated EU action will be needed to ensure that, where IAS first enter the Union, Member States take prompt measures to the benefit of other Member States not yet affected. It will also ensure legal clarity and a level playing field for those sectors using or trading alien species while avoiding a fragmentation of the internal market due to different restrictions of commercialisation of IAS between Member States. Some species are invasive and very damaging in some countries while harmless or even profitable in others. Acting at EU level according to the solidarity principle will protect the interest of Member States that are likely to suffer the most negative consequences. Finally, Member States which already have legislation on IAS will benefit from a common approach, guaranteeing that neighbouring Member States take actions for the same species.

3. OBJECTIVES

General objectives:

to minimise the negative impact of IAS on biodiversity and the environment and to contribute to the **EU 2020 biodiversity target**, by fulfilling its Target 5: *"by 2020, IAS and their pathways are identified and prioritised, priority species are controlled or eradicated, and pathways are managed to prevent the introduction and establishment of new IAS;*

to minimise the negative economic and social impact of IAS for the EU economy and the EU citizens and protect their wellbeing and health, thus contributing to the **Europe 2020 Strategy**.

Specific objectives:

shifting the current reactive to a more preventive approach towards IAS;

prioritising action towards IAS where the highest net benefits are to be obtained;

fostering a coherent approach on IAS across the EU.

Operational objectives:

prevent intentional introduction of IAS of EU concern into the EU;

prevent unintentional introduction of IAS into the EU and unintentional release into the environment;

prevent intentional release of IAS into the environment;

early warning and rapid response to prevent reproduction and spread of IAS of EU concern;

eliminate, minimise or mitigate damage by managing IAS of EU concern established in the environment.

4. POLICY OPTIONS

Five options have been identified, all of them addressing the five operational objectives, but with a different level of ambition. The options were constructed using a dual approach, which included at the same time an analysis of the measures needed to tackle the operational objectives (the content), as well as the type of policy instrument (the form).

Option 0 - The baseline option represents the status quo without further action, thus only addressing pests and disease agents that affect plants and animals and alien species introduced for aquaculture. Further, import bans could be imposed through the Wildlife Trade Regulation and ballast water would be addressed when the Ballast Water Convention comes into force. Member States would continue to act on an ad hoc basis driven by damage costs on a species basis.

Option 1 - Fostering voluntary action and enhancing cooperation would include the development of guidelines, sectoral codes of conduct and other awareness and educational campaigns. This would be in addition to what is already done with option 0.

Option 2.1 - A basic legislative instrument would be underpinned by a single list of IAS of EU concern. These would be alien species proven to be invasive by risk assessment, and deemed a threat of EU relevance by a standing committee including representatives from Member States. This list would trigger a series of obligations for the Member States: on one hand, to take action to prevent the entry of listed species into the EU (prevention) and, on the other hand, to manage the listed species that have already entered and established in the EU (reaction), with a view to avoid their further spread across the EU and minimise their damage. The choice of the measures to be taken (eradication, containment or control) would be left to Member States.

Option 2.2 – This option broadens the scope of option 2.1 beyond the list of IAS of EU concern in what concerns the rules on release into the environment. This would be achieved by introducing a system where, for IAS of Member State concern a permit for release would be required by the Member States.

Option 2.3 – This option broadens even more the scope of option 2.1 beyond the list of IAS of EU concern in what concerns the rules on release into the environment. This would be achieved by setting up a system where new alien species can only be released into the environment if explicitly approved, and placed on an EU list of alien species approved for release, after ascertaining that the release would not entail any risk.

Option 2.4 – This option strengthens the provisions for rapid response compared to option 2.2. This would be achieved by introducing the obligation for Member States to eradicate newly establishing IAS included in the list of IAS of EU concern, rather than controlling or containing them, unless derogation was granted by the Commission.

5. ASSESSMENT OF IMPACTS

One difficulty in analysing the impacts of different options was the fact that it is impossible to know in advance how many and what invasions will need to be tackled and what and how many species will be included in the list of IAS of EU concern. Moreover, until recently large-scale and comprehensive economic studies on IAS in general have been rare.

Another important consideration to be made is that the sectors likely to be affected by the legislative instrument are thought to include several SMEs, including microenterprises. The Commission is concerned about the impact of legislation on small and microenterprises and has a policy of minimising the burden on these businesses; however, they would be expected to fall under the scope of the legislation. IAS can have serious negative impacts on SMEs in sectors such as forestry, agriculture, tourism and recreational activities. These sectors would thus benefit from the introduction of coordinated measures to tackle IAS. On the other hand, other SMEs, such as pet traders and the horticultural sector, benefit from trading alien species and could be impacted by the introduction of legislation to tackle IAS, which may pose some restrictions on the use of alien species, although it is generally recognised that for most purposes there is a choice of substitute species.

The analysis found the following main impacts:

Option 0 - While already costing €1.4 bio/yr in cost of action, maintaining the status-quo would fail to prevent the growth in economic, social and environmental damage by IAS and thus be ineffective in reaching the objectives of this proposal.

Option 1 – This option would only involve a minor additional cost of action compared to option 0, but it would also be ineffective in preventing the growth in damage.

Option 2.1 – This option is not expected to add major costs of action (additional €26-40 mio/yr) compared to option 0 and could moreover lead to a decrease in costs over time (€1 bio/yr). The measures proposed under option 2.1 would involve a reorganisation of the current expenditure - focusing more on prevention and less on reaction (in line the plant and animal health regimes) - and to a more efficient use of resources – through a coherent prioritisation. The additional costs would also be kept to a minimum by making maximum use of existing provisions. Option 2.1 could negatively impact on international trade (but only in case commonly traded high value IAS were banned) and on those small and microenterprises cultivating IAS or trading pets and ornamental species (but only in so far as suitable alternatives could not be found). Potential negative economic impacts would however be taken into account, when considering species for listing. On the other hand, citizens, public authorities, and other economic operators, including many small and microenterprises, such as farmers and foresters, would be the main beneficiaries from the avoided damage increase. All economic operators would also benefit from the improved legal certainty and a more coordinated approach. Finally, the basic legislative instrument would entail substantial social, environmental and economic benefits that would outweigh the costs. Indeed, the package could avoid job losses (e.g. after collapse of fisheries), would be beneficial for public health

as well as for properties and recreational facilities. Environmental impacts would also be positive because of the avoided damage to biodiversity and ecosystem services. Every prevented IAS is estimated to lead in average to an avoidance of €30 mio/yr of damage/control costs on the longer term. This is a rough estimate, but it illustrates the potential benefits in a simplified manner. Moreover, even if newly establishing IAS could not be prevented, they would still be listed and managed in a coherent way, thus avoiding even more damage costs.

Option 2.2 - This option would cater for a more preventive approach, without being too burdensome. It would add some administrative costs for those Member States that do not yet have a permitting system and for those economic operators that have an interest in releasing alien species of Member State concern. However, this system would avoid the introduction into the environment of IAS, which, although not listed as IAS of EU concern, may cause considerable economic, social and environmental damage.

Option 2.3 – This option would follow the most precautionary approach from the economic, social and environmental point of view. However, it would represent a considerable shift compared to the current approach and cause a substantial administrative burden on economic sectors that depend on introducing alien species into the environment (e.g. horticultural and forestry sector).

Option 2.4 – This option would ensure that new invasions are immediately dealt with thoroughly. Every rapidly eradicated invasion would avoid long term negative economic, social and environmental impacts. This would entail a higher upfront investment on eradication, mainly for Member States, but substantial savings in the longer run, for the society as a whole.

Finally, it has to be considered that Member States will be affected in different ways depending on the structure of their businesses, besides their geographic and climatic conditions. For example, some Member States have a stronger forestry sector than others (e.g. Nordic countries, Germany), while others have a thriving horticultural sector (e.g. Netherlands). However, it was not possible to identify particularly strong imbalances between Member States.

6. COMPARING THE OPTIONS

Based on the analysis of impacts, it was possible to reach the following conclusion:

While **Option 0** and **Option 1** include several pieces of EU and national legislation, they leave the large majority of species and pathways unaddressed. They are estimated to cause already €1.4 bio/yr cost of action, mainly for the Member States, but have been found to be ineffective in meeting the objectives of this exercise and lacking coherence with overarching EU objectives.

Option 2.1 could significantly reduce the negative impacts of IAS and be effective in meeting the objectives. It would only cause additional costs of action of €26 to 40 mio/yr. Moreover in time the cost of action could decrease to €1 bio/yr. It would positively impact the efficiency of spending by Member States public authorities and be coherent with overarching EU objectives.

Option 2.2 would be more efficient, effective and coherent than option 2.1 with moderate additional costs, as the Member States would often build upon existing systems.

Option 2.3 would be even more effective and coherent than option 2.2 but would at the same time impose a significant burden on certain economic operators, in particular those involved in primary production, which would thus affect its efficiency..

Option 2.4 would be more efficient, effective and coherent than option 2.2, with moderate additional costs.

In summary, option 2.3 is expected to generate the best result in terms of effectiveness and coherence. However, its trade-off towards the economic domain is deemed too substantial and therefore its cost/benefit ratio less favourable than for option 2.2. On the other hand, the additional benefits of option 2.4 have been estimated to be substantial and to outweigh the additional costs in comparison to option 2.2 and 2.1. Moreover, option 2.4 would very efficiently build upon the existing provisions in Member States. Therefore, **option 2.4** was selected as the **preferred option**, yielding the highest benefit in relation to costs, although it is not the option yielding the highest biodiversity benefits.

Choosing option 2.4, it is to be expected that 1) the yearly cost of action would remain stable or would even decrease over time, 2) the magnitude of the benefits (i.e. damage and management cost avoidance) would continue to increase over the years, as increasing numbers of invasions are avoided, 3) the overall costs of the problem would not increase as much as it would without EU action.

7. MONITORING AND EVALUATION

Monitoring and evaluation of the outcome of the proposed instrument will be addressed via the reporting and notification obligations embedded in the legal text. On this basis the Commission and other bodies will be able to report on indicators and follow progress towards the objectives.

Reporting obligations would build upon existing reporting mechanisms such as those carried out under the Birds and Habitats Directives, Water Framework Directive and Marine Strategy Framework Directive as well as the Animal and Plant Health and Aquaculture regimes. Such obligations would be limited to the strictly minimum required to ensure enforcement of the legal text and other international commitments, so as to avoid unnecessary administrative burden.

The legal text would include a review clause that would allow updating the approach according to scientific and technical progress and would allow a gradual further development in light of issues arising during the implementation.