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REGULATORY SCRUTINY BOARD OPINION

Revision of EU Ambient Air Quality legislation

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EUROPEAN COMMISSION
Regulatory Scrutiny Board

Brussels,
RSB/

Opinion

Title: Impact assessment / Revision of EU Ambient Air Quality legislation

Overall opinion: POSITIVE WITH RESERVATIONS

(A) Policy context

The Air Quality Directives (Directives 2004/107/EC and 2008/50/EC) establish common methods and criteria to assess air quality, define specific standards for 12 air pollutants, require Member States to monitor air quality and impose the obligation to take action when air quality is not ensured. They work with other EU legislation (addressing pollution at source) to protect human health and the environment.

The science underpinning air quality standards has evolved, notably through the WHO 2021 recommendation. This revision will address this and other shortcomings identified by the 2019 Fitness Check.

(B) Summary of findings

The Board notes the written replies submitted by the DG in advance of the meeting and the commitments to make changes to the draft report.

However, the report still contains significant shortcomings. The Board gives a positive opinion with reservations because it expects the DG to rectify the following aspects:

(1) The baseline does not sufficiently reflect the progress likely to be achieved through the implementation of related initiatives and the extent to which this is factored into the modelling.

(2) The report does not provide a balanced and sufficiently transparent presentation of the feasible options and available choices for policy makers. It is not sufficiently clear as to why it identifies a preferred option which is not the best performing one.

This opinion concerns a draft impact assessment which may differ from the final version.

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(C) What to improve

(1) The report should be explicit about the articulation with, and effect of, other related EU initiatives. The dynamic baseline should include, quantitively, (through complete and inclusive modelling runs) the projected impact of recently adopted revision of the Industrial Emissions Directive. The report should clarify whether the upcoming revised road vehicle emissions standards - Euro 7 - are incorporated in the baseline and if they are not, they should be included in the modelling. The report should also make qualitative references to other EU legislation expected to deliver co-benefits from an air quality perspective such the Nature Restoration Law. Overall, it should be clear whether the level of air pollutant emission reduction forecast under the baseline is likely to be underestimated or not.

(2) The report should provide a clear balanced, and open presentation of the options, in particular regarding the WHO alignment choices acknowledging adequately their different technical feasibility. It should present upfront all option design parameters (e.g. review clause, exemptions, inclusion of flexibility elements given geo-political challenges) and justify if these are not integrated for all alignment options. It may want to consider an explicit staged policy option consisting of a long-term political alignment commitment, concrete short-term measures (perspective 2030) and a regular review mechanism. It should be clear about all key choices for decision makers highlighting the expected health and environmental benefits and the related costs. The estimates of benefits and costs for the options with different WHO alignment should be provided for the full 2025 to 2050 period (not only for the 2030 and 2050 points as currently the case).

(3) The report should better justify the chosen preferred option given that it is not the best performing one in terms of costs and benefits and technical feasibility. It should reflect better the feasibility constraints of the preferred option given that this option requires additional measures that are neither sufficiently set out, assessed or discussed in the report. Given that the decision on the envisaged level of alignment with the WHO Air Quality Guidelines is ultimately a political one, the report may prefer to leave the choice on the preferred option open, while being fully transparent on their costs and benefits and related uncertainties.

(4) The report should be explicit about the drivers of the identified problems and, in particular, clarify why the existing air quality plans are not effective. It should explain whether the underlying problem in this respect is a lack of enforcement, financing or one of monitoring. Regarding the latter, it should set out clearly the current set-up of monitoring stations and sampling points and be transparent about the extent to which existing air quality data is reliable and of comparable quality across the EU.

The Board notes the estimated costs and benefits of the preferred option(s) in this initiative, as summarised in the attached quantification tables.

Some more technical comments have been sent directly to the author DG.

(D) Conclusion **The DG must revise the report in accordance with the Board's findings before launching the interservice consultation.** **If there are any changes in the choice or design of the preferred option in the final version of the report, the DG may need to further adjust the attached quantification tables to reflect this.**	
Full title	Revision of the Ambient Air Quality Directives 2008/50/EC and 2004/107/EC
Reference number	PLAN/2020/8962
Submitted to RSB on	21 June 2022
Date of RSB meeting	19 July 2022

ANNEX: Quantification tables extracted from the draft impact assessment report

The following tables contain information on the costs and benefits of the initiative on which the Board has given its opinion, as presented above.

If the draft report has been revised in line with the Board's recommendations, the content of these tables may be different from those in the final version of the impact assessment report, as published by the Commission.

I. Overview of Benefits (total for all provisions) compared to the baseline – Preferred Option		
Description	***Amount***	***Beneficiaries***
Direct benefits		
Reduced health impacts	**40 or 119 billion EUR** (2015 prices) in 2030, depending on the valuation approach chosen.[1] These represent a close to 30% decrease in costs compared to the baseline in 2030.	Direct health benefits for citizens; reduced public costs due to less health care spending; benefits for businesses from increased productivity / reduced lost working days.
Reduced material damage	**196 million EUR** (2015 prices) in 2030	Beneficiaries depend on ownership of buildings, including of historic ones, and on who incurs their running costs.
Reduced crop damage	**254 million EUR** (2015 prices) in 2030	Increased crop yields benefit the agricultural sector and possibly consumers if productivity gains are passed on through lower prices.
Reduced forest damage	**287 million EUR** (2015 prices) in 2030	In the case of productive forests, increased productivity of forests benefits forest owners/managers and possibly consumers if productivity gains are passed on through lower prices for wood-based products.
Reduced ecosystem impacts	Between **706** (*low estimate*) and **2 117** (*high estimate*) **million EUR** (2015 prices) in 2030	Benefits for biodiversity, benefits for those sectors relying on ecosystem services.
Indirect benefits / co-benefits for other policies		
This part of the table summarises the likely indirect benefits of more ambitious clean air policy including the co-benefits for other EU policy objectives. This is done in a qualitative way, as the quantification undertaken here has focused on estimating the direct benefits, indirect ones being much more uncertain.		
Climate	Generally, more action will be needed to clean energy supply and mobility to attain limit values. A move to clean, renewable energy sources and propulsion systems will reduce air pollutants and greenhouse gas emissions in parallel. Stricter air quality standards bring co-benefits in the form of reduction of black carbon (BC), a short-lived climate forcer (SLCF), mostly achieved in residential heating sector, introducing cleaner burning technology, and effective enforcement of ban of field burning of agricultural residues.	Society at large will benefit

[1] See previous section Annex 8.1.

Noise	As above, a move to cleaner modes of transport will trigger co-benefits for noise (electric power trains being significantly less noisy than internal combustion engines, and soft transport modes being less noisy than motorised ones).	Those currently most affected by noise pollution notably from road transport, i.e. those living along busy roads.
Indoor air quality	Indoor air quality depends to a large extent on the quality of ambient (outdoor) air and would therefore improve with stricter air quality standards.	*As for direct health impacts.*
Equality	Poor air quality disproportionally affects citizens of lower socio-economic status, as well as those with pre-existing conditions and children.[2] Consequently, introducing stricter air quality standards can be expected to have indirect redistributional effects in benefitting these groups most.	Groups of society of lower socio-economic status, vulnerable groups.
Quality of life	European citizens care strongly about air quality.[3]/[4] Besides the quantified health impacts of clean air, indirect benefits are likely to accrue from citizens awareness of breathing cleaner air and living in a more healthy environment.	*As for direct health impacts.*
Administrative cost savings related to the 'one in, one out' approach		
The Ambient Air Quality Directives **do not impose any direct administrative costs on consumers and businesses** (while these do bear important adjustment costs, i.e. due to measures needed to achieve EU air quality standards), therefore the one-in-one-out approach is not applicable (as explained in the main report section 8.4).		

[2] EEA (2019), EEA Report No 22/2018 (accessed: 10.06.2022)
[3] Special Eurobarometer 497 (accessed: 10.06.2022)
[4] COM (2021), Open Public Consultation on "Air quality – revision of EU rules" (accessed: 10.06.2022)