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COMMISSION STAFF WORKING DOCUMENT EXECUTIVE SUMMARY OF THE EVALUATION

of the

New Legislative Framework

{SWD(2022) 364 final}

The New Legislative Framework (hereafter NLF) for EU product legislation consists of <u>Decision No 768/2008/EC</u>¹ and <u>Regulation (EC) No 765/2008</u>² aiming to improve the Internal Market for goods and boost the quality of conformity assessment of products.

Decision No 768/2008/EC contains a template and a common toolbox for Union product legislation. Currently, there are 23 pieces of legislation and a delegated act aligned to the NLF.

Regulation (EC) No 765/08 established an overall framework of rules and principles related to accreditation, market surveillance, conformity assessment and the CE marking. The market surveillance provisions of this Regulation were replaced by Regulation 2019/1020, which started to apply on 16 July 2021.

Since its adoption, industry and products have transformed radically, in particular due to the digital and the circular economy aspects. This evaluation reassesses whether the NLF continues to be fit for purpose in the current economic reality and the conformity assessment procedures still ensure that products placed on the Union market are safe and compliant with the applicable legislation. In addition, it is necessary to assess whether the NLF is also sufficiently able to cope with an increasing demand for integration of environmental aspects into product legislation.

The main purpose of this evaluation is to bring forward an informed analysis of the current performance of the NLF, assessing the effectiveness, efficiency and its relevance in particular given the technological development, the coherence with similar initiatives and the overall EU added value of certain aspects of the NLF.

The evaluation made full use of the <u>Study</u> that was carried out for the European Commission – DG GROW by the Centre for Strategy & Evaluation Services (CSES), supported by the Centre for Industrial Studies (CSIL). It is also supported by consultations (both targeted and public consultations); direct interactions with stakeholders (via interviews and a validation stakeholder workshop) and case studies. Other sources have contributed to the assessment, such as the <u>Opinion of the Fit for Future Platform</u> (F4F), a high-level expert group that helps the Commission in its efforts to simplify EU laws and to reduce unnecessary costs.

The general objectives set out in the <u>Impact Assessment of 2007</u> of the NLF are to ensure a high level of protection of public interests and the free movement of goods throughout the EU within a flexible and innovation-friendly legal framework.

In this evaluation we assessed the performance of the NLF taking into account its specific objectives, which are the following: Reinforcing the New Approach; 2) Supporting the consistency and coherence of EU harmonisation legislation; 3) Strengthening the conformity assessment system; 4) Enhancing the clarity and credibility of the CE marking.

1. Effectiveness

The NLF has been effective in achieving its all four specific objectives. Thanks to the regulatory toolbox set out in the NLF, the provisions are repetitive in every single piece of NLF-aligned legislation, whereby divergences are reduced in the EU product legislation. Technological neutrality supports innovations and should be preserved in the future as well, by avoiding to include more detailed product requirements in the legislation than necessary.

¹ <u>Decision No 768/2008/EC</u> the European Parliament and the Council of 9 July 2008 on a common framework for the marketing of products, and repealing Council Decision 93/465/EEC, OJ L 218, 13.8.2008, p. 82–128

² <u>Regulation (EC) No 765/2008</u> of the European Parliament and of the Council of 9 July 2008 setting out the requirements for accreditation and market surveillance relating to the marketing of products and repealing Regulation (EEC) No 339/93, OJ L 218, 13.8.2008, p. 30–47.

The effectiveness of the NLF may depend on factors outside of its scope, such as the prompt delivery of standards.

2. Efficiency

The NLF has been efficient in achieving all four specific objectives. Most of the benefits of the NLF are strategic, such as increasing and the global relevance of EU regulation, fostering the free movement of goods in the internal market and increasing Europe's industrial competitiveness. Reduced divergences, facilitated familiarisation with the rules, ease of compliance and regulatory certainty are benefits that are stressed by all stakeholders. Although their quantification is not possible, these benefits are vital for the everyday smooth functioning of the internal market and its reliability.

Some of the costs and benefits cannot be directly attributed to the NLF as a framework. Two case studies in Annex VIII of the SWD conducted by the contractor on recently evaluated directives, the Electromagnetic Compatibility Directive and the Toy Safety Directive, investigate the issue of attributing effects to the NLF or to the sector-specific legislation. They show also that drawing a line between NLF-related impacts and impacts that should be attributed only to the individual legislation is not straightforward.

3. Coherence

The NLF has been an effective tool to achieve both, internal and external coherence. A lack of clarity has been identified related to those obligations set out in the NLF that are impacted by the expansion of the circular economy (e.g. placing products on the market following their substantial modification). The importance of the NLF in creating coherence in the EU product framework is unarguable. An inconsistent use of NLF definitions in a legislation by determining them differently from the meaning used in the NLF leads to confusion among economic operators and authorities who are familiar with the NLF and therefore to additional costs.

4. <u>EU added value</u>

The **EU** added value of the NLF is highly appreciated by all stakeholders. Stakeholders consider that repealing the NLF (and having different obligations in different pieces of legislation) would generate diverging interpretations, overlaps and contradictions.

5. Relevance

The weaknesses of the NLF identified in this evaluation are mainly related to the **relevance** of certain elements of the NLF. Under the relevance criteria we analyse if the objectives of the NLF still reflect current and future needs (continuing relevance), mainly in the light of digitalization and the circular economy objectives. The focus of the NLF is the moment when the product is placed on the market. Nonetheless, it seems that the circular economy objectives may require a more dynamic notion of compliance and a mechanism to ensure that products are safe and compliant even if they are substantially modified following their placing on the market.

To be able to respond to the current and upcoming needs of product legislation and preserve its relevance, it might be useful to explore if the NLF should provide a general framework for dealing with the challenges of digitalisation and complex value chains, facilitating remanufacturing and high-quality recycling of products and introducing a digital product passport and digital CE marking.