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NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	Chemicals Strategy for Sustainability – State of play and way forward - Exchange of views

1. On 14 October 2020, the Commission adopted the Communication “Chemicals Strategy for Sustainability - Towards a Toxic-Free Environment”.
2. The European Parliament passed a Resolution on the Chemicals Strategy on 10 July 2020, and the Council adopted its conclusions “Sustainable Chemicals Strategy of the Union: Time to Deliver” on 15 March 2021¹.

¹ ST 6941/21.

3. With a view to structuring the exchange of views on the Chemicals Strategy at the forthcoming meeting of the Council (Environment) on 14 October 2024, the Presidency has prepared a background paper and questions for Ministers in the annex to this note.
 4. The Committee of Permanent Representatives is invited to take note of the Presidency's background paper, including the questions, and to forward it to the Council for its exchange of views on the 'Chemicals Strategy for Sustainability – State of play and way forward' on 14 October 2024.
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Chemicals Strategy for Sustainability – State of play and way forward**- Exchange of views -**

The Chemicals Strategy for Sustainability, introduced by the European Commission in October 2020, is a key element of the EU's efforts to manage chemical substances in a way that protects human health and the environment whilst providing an impetus to innovation and boosting the EU's competitiveness.

The chemical industry is one of Europe's largest manufacturing sectors and its output is relied on heavily by other industries. Maintaining its competitiveness and keeping this sector on a sustainable development course is therefore vital.

Currently, the industry is undergoing rapid structural change as it faces significant challenges, including rising costs, external resource dependency and increased competition from third countries, so it is particularly important that the EU aims to achieve both a modern, resource-efficient, competitive circular economy and a toxic-free environment (Green Deal). These considerations must be addressed together in order to facilitate a just, green and digital transition in the EU.

The Chemicals Strategy, which aims to address the complex and pervasive risks associated with hazardous chemicals and sets an ambitious agenda to make the EU a leader in safe and sustainable chemical use, has seen progress in many areas, including the criteria to define the essential use of most harmful chemicals, the 'one substance, one assessment' approach for faster, simplified and transparent processes, further restrictions or bans on the use of mercury in the EU, a revised Regulation on classification, labelling and packaging of chemicals (CLP) including with new hazard classes, and so on.

However, the implementation of some actions of the Strategy, such as the ‘targeted’ REACH revision, have not yet taken place. It should also be noted that some recently adopted provisions, such as the newly introduced hazard classes in the amended CLP Regulation, will show their full effect only combined with a revised REACH Regulation.

The REACH Regulation is central to the EU’s chemicals policy, aiming to enhance the protection of human health and the environment from the risks that chemicals pose. The revision is essential to address the current gaps in the regulation, such as enhancing the compliance of registration dossiers; better identifying substances with critical hazard properties; improving the authorisation system; boosting the restriction process, etc. The ability to manage chemical risks comprehensively and to ensure safer use of chemicals requires addressing these gaps.

As regards per- and polyfluoroalkyl substances (PFAS), the five national authorities who submitted the ‘universal PFAS’ dossier and the European Chemicals Agency (ECHA) have made significant strides in progressing the proposal, however, it is also important to consider thoroughly the implications for society and the industries that rely on uses of these substances with unique properties. Hence, there is a need for a balanced approach that promotes the development and adoption of safer alternatives, whilst ensuring regulatory clarity and compliance, thus helping to mitigate the adverse effects of PFAS. However, a conclusion needs to be reached in good time, so as to avoid jeopardising the sustainable development of the EU industry and the attainment of a high level of environmental and health protection.

The fundamentally new concept set out in the ‘Guiding criteria and principles for the essential use concept in EU legislation dealing with chemicals’ introduced by Commission Communication C/2024/2894 on 26 April 2024, still needs to be applied in practice. This would be instrumental to ensuring effective implementation and providing more certainty.

It should be noted that in addition to their benefits for human health and the environment, some newly adopted regulatory obligations place an increased administrative burden on Member States and EU institutions. Moreover, monitoring and enforcement of these obligations will require significant resources to prevent inconsistent application undermining the effectiveness of the regulatory measures.

Also, the responsibilities and tasks of ECHA have expanded significantly, both in scope and complexity. The new regulatory obligations, and the continuous expansion pose substantial capacity and budgetary challenges for the Agency, and also for some Member States in terms of nominating a sufficient number of experts to the ECHA committees. A proposal for a basic ECHA regulation, which should strengthen its governance, streamline the working methods of ECHA bodies and make their financing more flexible and sustainable, is still in the pipeline. As the Agency plays a pivotal role in implementing the EU's chemical laws, strengthening its operation and financial model is crucial to enhancing its operational effectiveness and sustainability. ECHA must have the capacity to support the safe management of chemicals and to respond swiftly to emerging chemical risks that affect general regulatory efficiency.

The Commission President stated in her political guidelines for the new Commission that 'we must and will stay the course on the goals set out in the European Green Deal', when the new 'Clean Industrial Deal' was announced. An important element of this new deal is a 'Chemicals Industry Package aiming to simplify REACH and provide clarity on "forever chemicals", or PFAS.'

Overall, it should remain a priority for the EU and its Member States to reach the objectives of the Strategy while also considering the new challenges. In this regard, some further areas need urgent clarity and swift progress, both to enhance protection of EU citizens and the environment and, as in some cases safer chemical alternatives may require significant investment into research and development, to ensure a predictable investment environment for the industry.

The main aim of this exchange of views is to highlight the prominence of the Chemicals Strategy for Sustainability on the political agenda of the next political cycle and to support the speeding up of the delivery of its implementation, providing clarity for both the industry and the authorities concerning the forthcoming measures.

Questions for ministers:

1. *Are the actions set out in the Chemicals Strategy still fit for the purpose of addressing the challenges identified and achieving the Strategy's objectives? Is there a need to prioritise certain actions that have not yet been implemented?*
 2. *Are there any new and emerging challenges since the adoption of the Strategy for which new approaches are needed, together with an updated and feasible implementation roadmap?*
 3. *Which (other) ways of implementation are available to EU institutions and bodies and to Member States for addressing the delays, accelerating the implementation of the Strategy and ensuring adequate execution of new tasks?*
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