

## CALL FOR EVIDENCE FOR AN IMPACT ASSESSMENT

This document aims to inform the public and stakeholders on the Commission's future legislative work so they can provide feedback on the Commission's understanding of the problem and possible solutions, and give us any relevant information that they may have, including on possible impacts of the various options.

<b>TITLE OF THE INITIATIVE</b>	EU framework for harmonised measurement of transport and logistics emissions – ‘CountEmissions EU’
<b>LEAD DG (RESPONSIBLE UNIT)</b>	DG MOVE D.1
<b>LIKELY TYPE OF INITIATIVE</b>	Legislative
<b>INDICATIVE TIMETABLE</b>	Q4 2022
<b>ADDITIONAL INFORMATION</b>	

*This document is for information purposes only. It does not prejudice the final decision of the Commission on whether this initiative will be pursued or on its final content. All elements of the initiative described, including its timing, are subject to change.*

### A. Political context, problem definition and subsidiarity check

#### Political context

Door-to-door transport and logistics operations are usually very complex due to the large number of actors and various transport modes involved. Further to growing demand, transport remains for the moment the only economic sector where total emissions are higher than they were in 1990. However, thanks to technological development, regulatory actions and improved environmental awareness, a broad range of instruments has helped to optimise the efficiency of operations and to lower associated emissions. One such instrument is **the greenhouse gas (GHG) emissions accounting**, as a method to generate, share and compare emissions data of both unimodal and multimodal transport activities and operations. This can incentivise companies, customers and passengers to take up more environmentally friendly and efficient transport solutions.

This initiative aims to provide **a common framework for calculating GHG emissions of transport operations in the freight and passenger transport sectors**. It will contribute to implementing the [European Green Deal](#), and to meeting the objectives and targets under the [European Climate Law](#). It corresponds to Action 33 in the Action Plan of the [Sustainable and Smart Mobility Strategy](#), published on 9 December 2020, and will form the basis for the implementation of Action 28 and Action 34 in the same Action Plan.

The initiative will be coordinated with other regulatory and non-regulatory EU actions on the following: emission standards; requirements and monitoring of GHG emissions of vehicles, vessels and aircrafts; sustainable delivery of goods; green labels; the environmental performance of products and organisations; and corporate sustainability reporting and related EU standards development.

#### Problem the initiative aims to tackle

The main problem that the initiative aims to address is **the information failure that prevents companies, customers and passengers from monitoring and comparing easily and accurately various transport service options with respect to their GHG emissions**. This situation may lead to suboptimal choices by both businesses and individuals. Preliminary analysis indicates that this information failure arises from two main drivers:

- a) **Fragmentation of methodological approaches for GHG emissions calculation and sharing in transport and logistics**

Currently, there exists no common and universally accepted GHG emissions accounting framework for the transport and logistics sectors. On the one hand, this leads to substantial divergences in emissions data calculation results. On the other, the lack of comparability diminishes the usefulness of GHG accounting in informing decisions by organisations and users/passengers, hindering the overall effectiveness of GHG accounting as a policy tool to incentivise environmentally friendly business and consumer choices for transport/mobility. This problem driver is generally recognised and has materialised in several attempts by industry or national governments<sup>1</sup> to produce a standard framework. The European CEN standard EN16258 was published in 2012, but is considered insufficiently precise. The fragmentation also creates an

<sup>1</sup> Such as Decree 2011-1336 in France

administrative burden for international operators who may need to comply simultaneously with different approaches.

b) **Limited uptake of emissions accounting in everyday business practice**

Despite the growing interest of transport stakeholders to use information about GHG emissions as a sales argument or as a decision-making support tool, the overall uptake of GHG accounting, especially in the SME sector, is still limited. Those who actually measure their carbon footprint at company or service level (mostly large market players) do it mainly for internal benchmarking purposes. Consequently, most of them do not publish their carbon footprint data, nor do they disclose such information in their business activities. A large proportion of small and medium-sized enterprises do not calculate emissions at all<sup>2</sup>. This situation might be explained by the difficulty to pick a right methodology, insufficient awareness, low priority for environmental issues, lack of resources, reluctance to publish data, perceived administrative burden associated with the GHG calculation, or lack of interest from some customers to consider GHG emissions in their purchasing decisions. In addition, there exist no clear rules for the storage and handling of such data, which might raise concerns about exposing commercially sensitive information.

**Basis for EU action (legal basis and subsidiarity check)**

**Legal basis**

Articles 91 and 100(2) of the Treaty on the Functioning of the European Union (TFEU) confer on the EU the authority to lay down appropriate provisions in the transport sector.

**Practical need for EU action**

Actions of individual Member States, and own initiatives by industry, result in the development of a variety of national, local or industry schemes, which, while harmonising GHG emissions accounting on particular markets, hamper the comparability, consistency and reliability of results throughout the EU. The multiplication of approaches and methodologies can create barriers for the free movement of goods and services in the single market.

**B. Objectives and policy options**

The general objective of this initiative is to **incentivise the reduction of emissions from transport and logistics**, through:

- establishing a **level playing field** for GHG emissions accounting in the transport and logistics sectors; and
- facilitating **behavioural change**.

In this context, the initiative aims to contribute to the **improvement of the environmental performance of transport** through the following set of specific objectives:

- providing a **single EU framework for calculating GHG emissions data** of transport operations/services in freight and passenger sectors;
- making **available reliable and comparable information** on the GHG intensity of individual transport services; and
- facilitating the **uptake of GHG emissions accounting** in business practice.

Due to the international outreach of transport and logistics, this initiative will give due consideration to the possibility to deliver a framework enabling further alignment on a global scale.

Subject to further analysis, scoping and screening, the following horizontal dimensions will be combined in constructing the policy options.

- **The methodological framework** would consider the type of future methodology, including its scope, reliability, consistency, acceptability by stakeholders, applicability for transport services, level of detail as regards emissions data, calculation boundaries, and the geographical outreach (i.e. an EU-centred versus a globally recognised standard).
- **The need for implementation specifications** would provide detailed guidance, as necessary, on applying the harmonised methodology in specific sectors, based on the common framework.
- **The verification regime** would cover aspects related to independent data assessment and verification, and the organisation of data exchange between parties, with particular reference to the use of digital tools and frameworks.
- **Technical support measures** would facilitate the use of GHG emissions accounting by stakeholders. This would involve developing simplified solutions and tools, especially for micro companies and SMEs, and taking into account existing and future industry-led projects, specific software products and calculators.
- **The type of policy instrument** to be applied for effective implementation of the initiative. This dimension would look into a range of possible approaches, including soft law and legislative measures, and whether

<sup>2</sup> See for instance <https://www.flexmail.eu/f-55794c959eed009f>

such measures should be mandatory or voluntary.

The impacts of the options to be developed based on these horizontal dimensions will be assessed against the baseline scenario without EU action, where any future GHG accounting alignment is left to market forces, own initiatives by industry, and actions taken at national level.

### C. Likely impacts

The initiative will **address various actors** on the EU transport market, specifically: transport service providers, e-commerce platforms, transport service users (passengers, customers, shippers and third-party logistics providers), and EU/national/regional/local public authorities and other transport regulators.

Depending on the policy option chosen, the initiative may result in specific impacts varying in terms of intensity and range.

The initiative would in principle result in **environmental and health benefits**. Based on outcomes of existing carbon emission monitoring and reporting schemes<sup>3</sup>, these benefits can be significant. In this context, CountEmissions EU would contribute to the United Nations [Sustainable Development Goals](#) on climate and responsible consumption and production. **Other positive impacts** would include the establishment of a common approach for all transport modes in terms of measuring their GHG emissions performance, and improved cost efficiency of transport services and incentives for innovation.

The **negative impacts** are associated with compliance costs and administrative burden related to the adaptation, implementation, operation and maintenance of GHG accounting systems. These costs will have to be carefully assessed against potential benefits, at the level of both company (e.g. in terms of better monitoring, marketing and simplification of corporate sustainability reporting) and system (common understanding of the applicability, usability and reduction in the number of methodologies and tools).

### D. Better regulation instruments

#### Impact assessment

An impact assessment report, supported by an external study, will underpin any proposal made in the context of this initiative. It will build on previous Commission work in the transport sector, including the [2014 exploratory study](#), dedicated R&D projects financed by the EU ([COFRET](#) and [LEARN](#)), relevant industry initiatives (such as [Global Logistics Emissions Council](#)), and international standardisation efforts ([ISO](#) in coordination with CEN). It will also take into consideration other initiatives aimed at measuring and calculating related emissions, such as [Commission Recommendation 2013/179/EU](#).

#### Consultation strategy

The Commission has planned a range of consultation activities to collect stakeholder views and data for fine-tuning the problem definition and objectives, developing policy options and assessing their feasibility and impacts. Stakeholders include transport operators, logistics service providers, shippers, e-commerce and ticketing platforms, passenger and consumer organisations, industry associations, environmental groups, standardisation organisations, national authorities and NGOs.

The consultation process will consist of two main parts.

- A 12-week open public consultation to be launched in Q1 2022 in all official EU languages. It will be accessible via the Commission's central public consultations page (['Have your say'](#)). A factual summary report will be published on the consultation page after this public consultation is closed.
- Various targeted stakeholder consultations to be undertaken in the first half of 2022 (including surveys, individual interviews and workshops).

The results of all consultation activities will be summarised in a synopsis report.

<sup>3</sup> Such as Lean and Green (EU), <https://lean-green.eu/>, Logistics Emissions Reduction Scheme (UK), <http://lers.org.uk/>, and SmartWay, (US) <https://www.epa.gov/smartway>.