

# **PROPOSED REPLACEMENT EU ACT INITIAL ASSESSMENT OF IMPACT**

**Date: 07/04/2025**

**DSC REF: DSC/08a/2025**

## **Proposed Replacement EU Act**

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on circularity requirements for vehicle design and on management of end-of-life vehicles, amending Regulations (EU) 2018/858 and 2019/1020 and repealing Directives 2000/53/EC and 2005/64/EC - [COM\(2023\)451](#)

This Regulation will replace the repealed Directive 2000/53/EC of the European Parliament and of the Council of 18 September 2000 on end-of-life vehicles – which is not included in the Windsor Framework.

[Directive 2000/53/EC.](#)

This Regulation will also replace the repealed Directive 2005/64/EC of the European Parliament and of the Council of 26 October 2005 on the type-approval of motor vehicles with regard to their reusability, recyclability and recoverability and amending Council Directive 70/156/EEC (Annex 2 – Heading 9 – Motor vehicles, including agricultural and forestry tractors).

[Directive 2005/64/EC.](#)

This Regulation will amend Regulation (EU) 2018/858 of the European Parliament and of the Council of 30 May 2018 on the approval and market surveillance of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles, amending Regulations (EC) No 715/2007 and (EC) No 595/2009 and repealing Directive 2007/46/EC (Annex 2 – Heading 9 – Motor vehicles, including agricultural and forestry tractors).

[Regulation \(EU\) 2018/858](#)

This Regulation will amend Regulation (EU) 2019/1020 of the European Parliament and of the Council of 20 June 2019 on market surveillance and compliance of products and amending Directive 2004/42/EC and Regulations (EC) No 765/2008 and (EU) No 305/2011 (Annex 2 – Heading 8 Goods – general provisions).

[Regulation \(EU\) 2019/1020](#)

## Summary of the Act

The aim of this proposed regulation is to ensure that vehicles are produced and disposed of in an environmentally responsible manner, therefore contributing to broader sustainability and climate goals. It therefore aims to facilitate the transition of the EU automotive sector from the linear to the circular economy, at all stages of the vehicle - from design to end-of-life treatment. With a focus on improving circularity (reusability, recyclability and recoverability), it sets out requirements to ensure that new vehicles are designed in a way that facilitates recycling and re-use of spare parts when they reach their end-of life.

Summary of main changes from existing legislation:

- 'Design Circular' to focus on attempting to 'design out waste' from concept to end-of-life status;
- revised methodology to calculate recyclability and re-usability of new vehicles at type-approval stage;
- development of an environmental vehicle (digital) passport;
- proposed tighter controls on the export of unroadworthy vehicles to 3<sup>rd</sup> countries (outside the EU) on safety and environmental grounds;
- new vehicles to have mandatory minimum targets for content of recycled material;
- introduce new traceability & control measures regarding the persistent problem of 'missing vehicles' across the union;
- ensure that the vehicles made available on the market are collected and treated and that waste management operators treating such vehicles meet recycling targets.

The revision aims to promote more circularity by linking design issues to end-of-life treatment, considering rules on mandatory recycled content for certain materials of components and improving recycling efficiency. The EU envisage merging the two existing directives into a single instrument, covering the whole life cycle of the automotive sector. Overall, the proposed Regulation anchors circularity requirements into the type-approval of new vehicle types.

For the first time the EU plan to introduce mandatory targets for the use of recycled material in all new vehicles: 6 years after the entry into force of the proposed regulation, new vehicles would have to contain at least 25% of plastic recycled from post-consumer plastic waste, with 25% of such material coming from recycled end-of-life vehicles.

## Department(s) Responsible

In respect of Regulation (EU) 2018/858 and Directive 2005/64/EC, type approval is a matter reserved to the UK Government. DfI in Northern Ireland have a policy interest in this area.

Regulation (EU) 2019/1020 on market surveillance is reserved to the UK Government.

DfE may also have an interest from the perspective of the Circular Economy Strategy, specifically in regard to 'designing circular'.

Department of Agriculture, Environment and Rural Affairs, is the lead department for Directive 2000/53/EC, in respect of end-of-life waste and extended producer responsibility.

### **Initial Assessment of Impact**

Further to the initial assessment carried out by the Government, as detailed below, from a DAERA perspective, the application of the proposed Regulation will not have a significant impact specific to everyday life of communities in Northern Ireland in a way that is liable to persist. The only provisions of the proposed Regulation relevant to DAERA are those which replace Directive 2000/53/EC, which is not, and has never been, listed in Annex 2 to the Windsor Framework. The Departmental Solicitor has advised that, in the absence of a notification to the UK Government, under Article 13(4) of the Windsor framework, those provisions will not apply in Northern Ireland. At present, there have been no indications that such a notification will issue.

From a DAERA perspective, non-application of those provisions relevant to DAERA, will not have a significant impact specific to everyday life of communities in Northern Ireland in a way that is liable to persist. DAERA continues to implement the current UK regulatory framework for end-of-life vehicles.

The proposal could help contribute towards efforts in achieving Net Zero by 2050 and broadly aligns with the government's commitment to reduce waste by moving to a circular economy. The government has set up a Circular Economy Taskforce to co-design a Circular Economy Strategy for England, which will be published later in 2025. The Taskforce has identified transport as a priority sector for action.

### **UK Government Explanatory Memorandum**

The UK Government Explanatory Memorandum (EM) is available through the link below:

[EM on EU regulations in scope of Windsor Framework regarding vehicle end of life and recyclability.pdf](#)

UK Government Officials have provided the following summary:

As set out the EM, The UK Government's view is that the EU proposal broadly aligns with the aims set out for road vehicles in the 2023 Defra policy paper: "The waste prevention programme for England: Maximising Resources, Minimising Waste" and could help contribute towards efforts in achieving Net Zero by 2050.

The UK Government considers this proposal an attempt to improve the current requirements applicable for vehicles within the type-approval process. It may lead to increased recycling and re-use of materials from end-of-life vehicles.

The type-approval proposal currently contains exemptions for low volume and multi-stage manufacturers, and officials are not aware of any major manufacturers based in NI that produce vehicles in scope of the Regulation. Government officials expect small manufacturers in Northern Ireland, such as Wrightbus, to be unaffected due to the exemption for vehicles produced under the small series scheme. The local manufacturing industry is therefore unlikely to be affected by this proposal. In addition, the UKNI type-approval scheme will apply under the EU Regulation, which enables access to the GB market and is available to manufacturers if they wish to use it.

In any event unfettered access, which is of course unaffected by the proposals, would enable access to the GB market for NI based manufacturers and the movement of used vehicles between GB and NI would be unaffected. As a result, we do not expect there to be any effect on producers in NI, but the Government will continue to engage with industry as the proposal develops.

In summary, none of the measures in question will affect the movement or sale of vehicles in Northern Ireland. A manufacturer will still be able to obtain a single UKNI approval for the whole of the UK. UKNI approval will continue to be sufficient to sell into both the NI and GB markets, and manufacturers who hold EU type approval will also continue to be able to sell into the NI market using that approval.

The UK Government will continue to monitor changes to recyclability requirements under the EU scheme, with a view to considering whether amendment to the GB scheme is required. Due to the close links between the type-approval and end of life requirements, consideration of amending the GB type-approval scheme to adopt similar type- approval requirements in Great Britain will be informed by any future consultation on the end-of-life vehicles regulatory regime led by DEFRA.

### **Analysis by the European Commission on its Impact Assessment**

The need to revise the end-of-life vehicles and '3 R's' Directives (2000/53/EC & 2005/64/EC) was stressed in the European Green Deal and the Circular Economy Action Plan (CEAP)<sup>4</sup>. Review & evaluation of these Directives has

shown that considerable improvements were needed to boost the transition of the automotive sector towards a circular economy, thereby reducing the environmental footprint linked to the production and end-of-life treatment of vehicles and strengthening the sustainability of the automotive and recycling industry in Europe. The automotive manufacturing industry, which is a key pillar of the EU economy, largely relies on the supply of primary raw materials (steel, aluminium, copper, plastics) and uses a limited amount of recycled materials, while the treatment of ELVs results in important but low-quality metal scrap and very limited plastic recycling.

The EU heads of state have made the transition to a circular economy a priority to reduce the vulnerability of the EU industry supply chains, especially for critical raw materials essential for the EU's strategic autonomy and for the transition to a carbon neutral economy.

There was no evidence within the EU IA of NI stakeholders having any input.

#### [EU impact Assessment \(ELV's\)](#)

[The EU Impact Assessment is accessible from the link above however, due to its size, it is saved in 4 parts (at source)]

#### **Departmental Engagement**

DAERA officials regularly engage with colleagues in Defra and the Department for Infrastructure on the proposed Regulation. With regards to type approval, DfT leads on this and any engagement with the EU, on the proposed Regulation, will be carried out by the UK Government. The UK Government recognises the merits of the policy intent of the proposed Regulation and, as mentioned above, already has similar policy plans. DAERA officials will continue to engage with UK and Northern Ireland policy counterparts as consideration is given to similar measures across the UK.

DAERA officials attended the (DEFRA led) ELV Stakeholder Consultation group, which met quarterly throughout 2023 & 2024 and was attended by a broad range of representatives from the metals, waste and motor (sales & manufacturing) industry, along with policy officials from all 4 UK nations.

*\*\*Meetings of the review group were paused after general election in July 2024 and have not yet reconvened.*

DAERA officials have sought advice from the Departmental Solicitor as to the possible application, in Northern Ireland, of those provisions relevant to DAERA.