



ORGALIME POSITION PAPER ON

The Representation of Equipment Suppliers to the IPPC Seville Process

Brussels, 22 January 2007

Orgalime, the European Engineering Industries Association, speaks for 36 trade federations representing some 130,000 companies in the mechanical, electrical, electronic and metalworking industries of 24 European countries. The industry in 2005 accounted for some €1,598 billion of annual output. The industry does not only represent more than one quarter of the output of manufactured products but also a third of the manufactured exports of the European Union. It is the largest manufacturing sector in Europe. It is also the largest industrial employer in the EU27, providing some 10 million jobs.

At the last meeting of the IPPC Information Exchange Forum in December 2006, the Commission put for discussion working document 19-6 on the representation of equipment manufacturers in the "Seville process". Further to Orgalime's initial comments expressed during the meeting and in view of the revision of Directive 1991/61/EC on Integrated Pollution Prevention and Control, we wish to provide the following substantiated remarks on this issue:

1. Participation of Orgalime experts & representation of European equipment manufacturers

To date, Orgalime has nominated experts to technical working groups on not less than 13 BREFs, including Foundries, Ferrous Metals Processing, Non Ferrous Metals Production and Processing, Iron & Steel, Large Combustion Plants, Slaughterhouses/Animals By-products, Surface Treatment of Metals, Waste Treatment (previously Waste recovery/disposal activities), Energy Efficiency, Waste Incineration, Surface Treatment using solvents, Paper/Pulp, Cooling System.

In addition, Orgalime has appointed an expert who actively participates in the work of the Commission's IPPC-Review Group.

Orgalime is a committed member of UNICE's preparatory IEF working group, which includes representatives of all industrial federations and associations represented at the IEF and to which Orgalime is continuously providing expertise.

It is common practice that the nomination of a representative from a particular industrial branch is coordinated by the European association/federation of that industrial sector via UNICE. Orgalime supports this procedure. We consider it essential that the nomination of experts is based upon the principles of representativity and balance. Considering strong competition aspects involved, Orgalime believes that it is fundamental that any nomination must strictly follow the representativity of a targeted sector.

We equally consider that it is an internal industry matter to identify candidates that would be generally acceptable and representative for the respective sector grouped in this European association.

Orgalime believes that Seville working groups activities must by no means end up in a promotion platform of individual company or sub-sector interests. Its technical working groups should arrive at representative and balanced results that would be broadly acceptable and possible to implement.

Document 19-6 points out that some individual companies are willing to participate to the works of the technical working groups in the IPPC bureau in Seville only to 'sell' their products. To the best of our knowledge, it is not the case for Orgalime representatives, the vast majority of which are permanent staff of national association members of Orgalime.

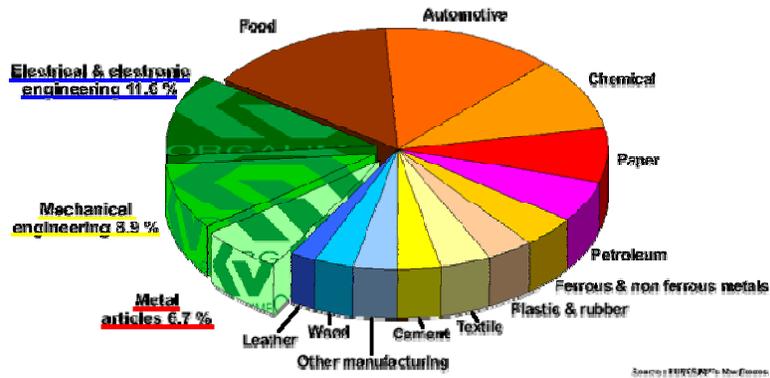
Therefore, Orgalime is all the more astonished to notice that for the first time since the implementation work on the IPPC directive is on-going, a sector's representation is put for discussion at the IEF meeting, composed of Member States, stakeholders and chaired by the European Commission.

Whom does Orgalime represent?

Orgalime groups at European level the highly competitive and diversified branches of metalworking, electrical & electronic and mechanical engineering industries, which is composed of some 120 different product groups specific sub-sectors (e.g.: heating, cooling, food processing machinery, domestic household appliances, motors, pumps, turbines, surface treatment, semiconductors or ICT).

As for **Orgalime's geographical representation**, Orgalime has secured membership from 24 different European countries, including new EU member states.

At the level of EU manufacturing as a whole, Orgalime represents more than a quarter of the EU's total manufacturing output. The details by NACE category are given in the annex to this paper.



Given Orgalime’s wide representativity, we oppose that particular rules for the nomination and selection of experts of the European metalworking, electrical & electronic or mechanical engineering industries should be established in comparison to other participating stakeholders.

In this context, Orgalime would like to make a few suggestions for improvements in the Seville process:

- It is a common perception that the development of any BREF document is a highly time consuming and resource intensive process. We invite the Commission and the IPPC Bureau to better evidence the benefits that experts will gain from participating in this work. At the same time, we encourage the Commission to improve its working method under IPPC technical working groups, e.g.: more timely and wider distribution of relevant documents or more transparency of discussions held and communications in between meetings.
- Orgalime welcomes the Commission’s proposal to develop BATIS and recommends that the Commission should quickly implement this tool for the benefit of all the stakeholders of the IEF.
- A better and more timely communication between the IPPC Bureau and the Orgalime Secretariat, i.e.: the Orgalime Secretariat should be receiving a copy of all circulating e-mails from technical working groups to which Orgalime has nominated experts. This would allow the Commission to better disseminate the work that is carried out in Seville.
- Orgalime would be open for a more regular dialogue between our sector and the Commission.
- Internally, Orgalime proposes to further widen the possibility of industry representatives from organisations to participate in Orgalime’s respective IPPC working group, such as EUCETSA or ESA, in the interest of a balanced and representative participation of our sector.

Working document 19-6 includes an annex titled “list of equipment suppliers”. Orgalime has a number of comments on this list:

- Both, ESIG and CEPE, are associations that relate to chemicals production. Such organisations would in our view fall under the European Chemicals Industry Association CEFIC. Orgalime suggests deleting ESIG and CEPE from the Commission’s equipment supplier’s list.
- The Commission document mentions the name of EUCETSA, which has members from eleven countries only. Orgalime, which has members from 24 countries, would therefore ensure a more representative stakeholder base, which would not exclude any of the major countries, such as France, nor enlargement countries.
- We believe that equipment suppliers are well present and active under the existing structure. Some improvements can certainly be made and Orgalime is committed to actively contribute to the future work. However, we particularly oppose uncoordinated membership of Orgalime sub-sectors in the Seville process since this could disrupt the fragile balance of a most diversified industrial sector, which provides crucial innovation for ensuring even more energy efficient and environmentally conscious products and processes.

3. Definition of the term ‘equipment suppliers’

Orgalime views a risk that the proposed definition of “equipment suppliers” could be interpreted in a way to allow other stakeholders than manufacturers to participate in the Seville process, i.e.: consultants, R&D institutes, universities and other academic bodies. We believe that if this were the case, this would lead to a significant disruption of the Seville process.

4. Quality of information

As for the quality of information fed into the technical working groups, the Commission pointed out the problem of quality of data and lack of feedback in certain areas received from equipment suppliers. Apart from some general comments made by the Commission at the IEF when presenting the BREF for approval, we have never been informed of this concern.

Orgalime wishes to underline the following:

- In some area, data are simply not available.
- In other areas, existing data may not be representative for the EU as a whole, particularly as the Orgalime industry includes a vast majority of SME’s, which may find it problematic to join in this very administrative work, which requires significant resources to gather the required data.

- Certain data available represent confidential business information, which is unfortunately, not protected well enough in some countries.
- Draft BREFs or working documents, in spite of their voluminous size (some BREFs are several hundreds pages long), are often submitted for consultation under tight time constraints and short consultation periods.

5. Conclusions

Against the background of Orgalime's regular and continuous commitment to work with regulators and other industrial stakeholders on the implementation of the IPPC directive and the upcoming revision, we believe that the present structure provides a sound basis for the involvement of equipment suppliers in the implementation of the IPPC directive. Orgalime is committed to continue its engagement in both, the Seville process and the upcoming revision of the directive.

Orgalime advocates for

- fully respecting the representativity and balance principles for mandating European associations with the nomination of industry experts of that branch,
- abstaining from establishing separate or new rules for the nomination of sector representatives of Orgalime industries, which might lead to weakening the technology neutral approach that Orgalime promotes,
- improving the existing structure following the proposals made in this document (see pages 2 and 3), and
- for accepting that confidential business data and know how will be secured in the future.

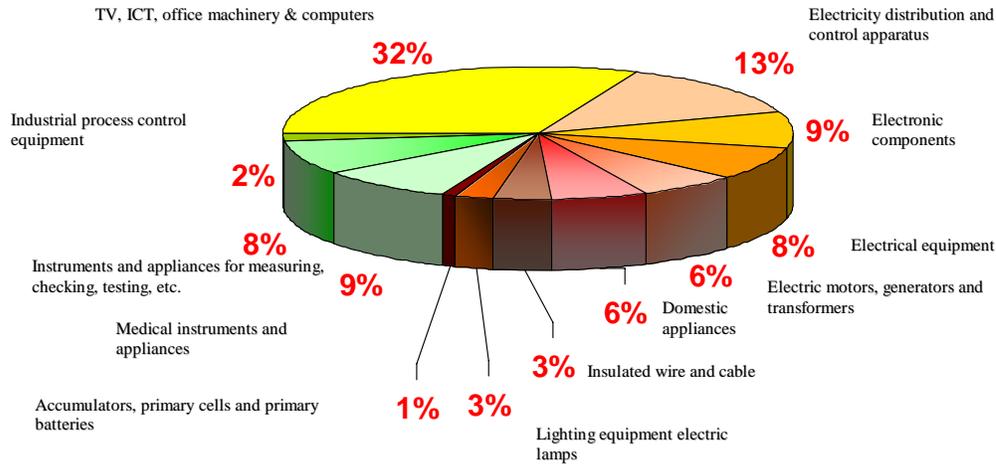
Orgalime is committed to further work on IPPC related matters and remains open for welcoming further equipment manufacturer representatives in its working groups.

So far, some practical hurdles have to be overcome. It will definitely be fruitful to have a better exchange of information and communication between Orgalime and the Commission/the IPPC Bureau and Orgalime welcomes the proposal set in Document 19-6 to have regular meetings with European institutions.

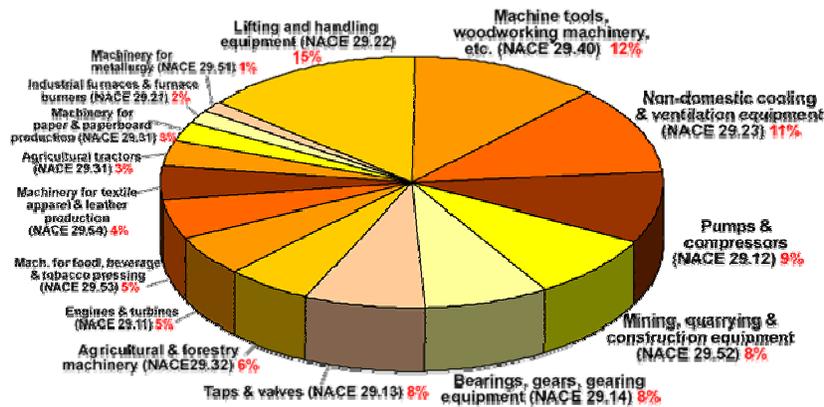
In our view, no further discussion of this matter at the IEF meeting is required.

ANNEX: ORGALIME MEMBERSHIP BY NACE CATEGORIES

The following graph shows the share of individual mechanical sub-sectors of **Orgalime's electrical and electronic engineering branch** according to Nace codes 29.7, 30 and 33:



The following graph shows the share of individual mechanical sub-sectors of **Orgalime's mechanical engineering branch** according to Nace codes 29.1 to 29.5:



The following graph shows the share of individual mechanical sub-sectors of **Orgalime's metalworking branch** according to Nace codes 28.1 to 28.7:

