

# quarterly EU report

*logos* has completed this report with the help  
and input of ICOMIA's Environmental and  
Technical Consultants



# September 2021

## Executive Summary

In the context of the **Biocidal Products Regulation**, the Commission Implementing Regulation (EU) 2021/978 granting a Union authorisation for the biocidal product family containing the active substance propan-2-ol (Lyso IPA Surface Disinfection) entered into force on 8 July 2021. The measure grants the authorisation to Schuelke & Mayr GmbH for the making available on the market and use of the biocidal product family in accordance with the summary of the biocidal product characteristics as set out in the Annex to the Regulation.

The work on the revision of the **Industrial Emissions Directive** (IED) 2010/75/EU is ongoing with the aim to present a proposal in Q4 2021. In July 2021, the Commission held a final stakeholder workshop on the revision of the IED, where the key objectives of the revision of the Directive were outlined and four possible policy options were presented. With regard to previous consultation activities, the Commission provided an overview of the key findings.

The Commission intends to present a proposal to revise the **Water Framework Directive** (WFD) by Q3 2022. The State of the Union 2021 Letter of Intent of 15 September confirmed rumours that the revision of the WFD will be merged with the proposal to amend the Annexes to the Groundwater Directive (GWD) and the Environmental Quality Standards Directive (EQSD) to achieve integrated water management for surface and groundwater pollutants.

In the context of the revision of the **Regulation on monitoring, reporting and verification of CO2 emissions from maritime transport**, the Commission published its second annual report on CO2 emissions from maritime transport on 17 August 2021. The report follows the first annual report on CO2 emissions from maritime transport and covers the CO2 emissions from maritime transport in 2019.

In the context of the **protection of workers from the risks related to carcinogens and mutagens at work**, the Commission presented the EU Strategic Framework on Health and Safety at Work 2021-2027 in June 2021. In the strategy, the Commission explained that it would present a proposal in Q1 2024 aimed at revising the Carcinogen and Mutagens Directive (CMD) to introduce a limit value for cobalt. The European Parliament's Committee on Employment and Social Affairs (EMPL) is expected to finalise the text of the draft motion for a resolution laying out the EP's response to the Communication on the 2021-2027 Strategic Framework on Health and Safety at Work by 4 October 2021. The Committee is expected to vote on the draft resolution towards the end of January 2022.

Regarding the **EU Timber Regulation (EUTR)**, the Commission published a [Report](#) presenting the findings of an external study on certification and verification schemes in the forest sector and for wood-based products. The ongoing fitness check of the EUTR Regulation and FLEGT Regulation is delayed until the end of September 2021. Finally, the Commission presented the new EU Forest Strategy, acknowledging the essential role of forests for human health and the role in the EU economy and society, as well as the key role of forests in achieving a sustainable and climate-neutral economy by 2050.

In the context of the implementation of the **Waste Framework Directive**, the European Chemicals Agency (ECHA) announced in mid-September 2021 that the data from the EU's first public database of substances of very high concern in products, SCIP, is available online. The SCIP database displays more than four million article notifications.

The **EU's trade negotiations** with Australia (12<sup>th</sup> round of negotiations planned for autumn 2021) and New Zealand (dates of round 12 of negotiations not yet confirmed) are currently ongoing. Besides this, the ratification of the Mercosur agreement is still at risk due to criticism at national level and among MEPs. The EU-US trade relations are gradually improving. In

September, the EU and the US agreed to engage in a dialogue in the framework of the EU-US Trade and Technology Council to find a solution to the steel and aluminium disputes by the end of 2021. The first EU-US Ministerial Trade and Technology Council is scheduled for 29-30 September 2021.

The Commission has confirmed that the publication of the study on the revision of the [Directive 2013/53](#) on the **recreational craft and personal watercraft** will be delayed. The Commission's [targeted consultation](#) on the revision closed on 14 March 2021. The consultation covered aspects of the technical and economic feasibility of further reducing exhaust emissions from marine propulsion engines. The results of the consultation are expected to feed into the supporting study, which is expected to be finalised in the second half of 2021. Based on the study, the Commission would then finalise its report, which is required to be presented by 18 January 2022. The Commission has planned a meeting with stakeholders on 3 November 2021, when the contractor will present the findings.

**Upcoming public consultations** on legislative acts, roadmaps or communications include:

- Communication on [Policy framework on biobased, biodegradable and compostable plastics](#)
- Communication on [Shipments of Waste – Communication on the revision of EU rules](#)
- Regulation on [Microplastics pollution – measures to reduce its impact on the environment](#)
- Communication on [Shipments of waste – Communication on the revision of EU rules](#)
- Regulation on [Revision of EU legislation on hazard classification, labelling and packaging of chemicals](#)
- Guidance on [Strict protection of species of Community interest under the Habitats Directive](#)
- Implementing Regulation on [CO2 emissions of engines – methodology for their reduction](#)
- Regulation on [Microplastic pollution](#)
- Implementing Regulation on [Updating the list of invasive alien species threatening biodiversity and ecosystems across the EU](#)
- [Regulation on Simplification and digitalisation of labels on chemicals \(CLP, Detergents, Fertilising Products\)](#)

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## SECTION I – Environmental Legislation and Initiatives

### 1. SHIP RECYCLING REGULATION (SRR)

#### Relevance for marine sector

Ship recycling is the complete or partial dismantling of a ship enabling and the reuse of valuable materials. This is what ships face at the end of their lifespan, which for modern ships is 25-30 years. By then, corrosion, metal fatigue and lack of parts make these ships uneconomical to operate. The materials of the ships, especially steel, are recycled and made into new products. Any reusable equipment, electrical devices, and other items onboard are also recycled. Even hazardous waste can be recycled into new products such as lead-acid batteries of electronic circuit boards. In this way, ship recycling is a significant part of the circular economy, as resources can be used for as long as possible, and the amount of waste is minimised.

Considering that many ICOMIA members are in the shipbuilding business, it is key to follow updates to this Regulation, which could cascade into other initiatives on environmental issues in the maritime sector. This Regulation, except for article 12, shall apply to ships flying the flag of a Member State, and to ships flying the flag of a third country calling at a port or anchorage of a Member State. It will not apply to warships, naval auxiliaries, or other ships owned or operated by a State and used, for the time being, only on non-commercial government service. Moreover, it will also not apply to ships of less than 500 gross tonnage (GT) and to ships operating throughout their life only in waters under the sovereignty or jurisdiction of the Member State whose flag the ship is flying.

It is key to highlight that an issue of great importance regarding the Ship Recycling Regulation relates to its connection to the Waste Framework Directive in what concerns hazardous materials. Article 4 of the Regulation states that the installation or use of hazardous materials referred to in Annex I on ships shall be prohibited or restricted. Moreover, each new ship shall have on board an inventory of hazardous materials, which shall identify at least the hazardous materials referred to in Annex II and contained in the structure or equipment of the ship, their location, and approximate quantities. Both Annexes are included below.

**ANNEX I  
CONTROL OF HAZARDOUS MATERIALS**

<b>Hazardous Material</b>	<b>Definitions</b>	<b>Control measures</b>
Asbestos	Materials containing asbestos	For all ships, new installation of materials which contain asbestos shall be prohibited.
Ozone-depleting substances	Controlled substances defined in Article 1(4) of the Montreal Protocol on Substances that Deplete the Ozone Layer, 1987, listed in Annexes A, B, C or E to that Protocol in force at the time of application or interpretation of this Annex. Ozone-depleting substances that may be found on board ships include, but are not limited to: Halon 1211 Bromochlorodifluoromethane  Halon 1301 Bromotrifluoromethane  Halon 2402 1,2-Dibromo-1,1,2,2-tetrafluoroethane (also known as Halon 114B2)  CFC-11 Trichlorofluoromethane  CFC-12 Dichlorodifluoromethane  CFC-113 1,1,2-Trichloro-1,2,2-trifluoroethane  CFC-114 1,2-Dichloro-1,1,2,2-tetrafluoroethane  CFC-115 Chloropentafluoroethane  HCFC-22  Chlorodifluoromethane	New installations which contain ozone-depleting substances shall be prohibited on all ships.
Polychlorinated biphenyls (PCB)	'Polychlorinated biphenyls' means aromatic compounds formed in such a manner that the hydrogen atoms on the biphenyl molecule (two benzene rings bonded together by a single carbon-carbon bond) may be replaced by up to ten chlorine atoms	For all ships, new installation of materials which contain Polychlorinated biphenyls shall be prohibited.
Perfluorooctane sulfonic acid (PFOS) <sup>(1)</sup>	'perfluorooctane sulfonic acid' (PFOS) means perfluorooctane sulfonic acid and its derivatives	New installations which contain perfluorooctane sulfonic acid (PFOS) and its derivatives shall be prohibited in accordance with Regulation (EC) No 850/2004 of the European Parliament and of the Council <sup>(2)</sup> .
Anti-fouling compounds and systems	Anti-fouling compounds and systems regulated under Annex I to the International Convention on the Control of Harmful Anti-fouling Systems on Ships, 2001 (AFS Convention) in force at the time of application or interpretation of this Annex.	1. No ship may apply anti-fouling systems containing organotin compounds as a biocide or any other anti-fouling system whose application or use is prohibited by the AFS Convention.  2. No new ship or new installations on ships shall apply or employ anti-fouling compounds or systems in a manner inconsistent with the AFS Convention.

**ANNEX II**  
**LIST OF ITEMS FOR THE INVENTORY OF HAZARDOUS MATERIALS**

1. Any hazardous materials listed in Annex I
2. Cadmium and Cadmium Compounds
3. Hexavalent Chromium and Hexavalent Chromium Compounds
4. Lead and Lead Compounds
5. Mercury and Mercury Compounds
6. Polybrominated Biphenyl (PBBs)
7. Polybrominated Diphenyl Ethers (PBDEs)
8. Polychlorinated Naphthalenes (more than 3 chlorine atoms)
9. Radioactive Substances
10. Certain Short-chain Chlorinated Paraffins (Alkanes, C10-C13, chloro)
11. Brominated Flame Retardant (HBCDD)

**Latest  
developments**

The Commission [Implementing Decision \(EU\) 2021/1211 amending EU rules establishing a European List of ship recycling facilities](#) was published on 23 July 2021 and entered into force on 12 August 2021. The implementing decision updated the entries in the European List of ship recycling facilities set out in the Annex to the Commission Implementing Decision (EU) 2016/2323, last amended by the Implementing Decision (EU) 2020/1675. The Implementing Decision updated the European list to include 11 new ship recycling facilities. Seven of the facilities are located in the EU (Netherlands, Spain, Portugal, Estonia, Denmark) and four of them outside the EU (Norway, UK, Turkey).

**Next steps**

Article 30 of the EU SRR requires the Commission to review the Regulation 18 months before the entry into force of the Hong Kong Convention and to make appropriate legislative proposals to consider the inclusion of recycling facilities authorised under the Convention "in order to avoid duplication of work and administrative burden". It remains to be seen how ambitious this review will be.

**Key  
stakeholders**

The unit in the European Commission dealing with the Ship Recycling Regulation is DG ENV's B3 Unit on Circular Economy and Green Growth - Waste Management and Secondary Materials:

- Mattia PELLEGRINI - Head of Unit
- Silvija AILE - Deputy Head of Unit
- Peter KOLLER - Policy Officer

## Background

The [Regulation \(EU\) No 1257/2013](#) on ship recycling entered into force on 30 December 2013 with certain provisions of the Regulation applying since 31 December 2020. Following the end of the public consultation, the European Commission adopted the new Commission Implementing Decision and published it in the EU Official Journal on 23 January.

At the global level, India is the latest signatory to join the Hong Kong Convention in November 2019. The decision was a step towards the entry into force of the Convention. Nonetheless, the contracting parties still do not represent 40% of the world's merchant shipping by gross tonnage, which is the second clause for Convention to enter into force. It was reported that China could potentially ratify the Hong Kong Convention in 2021. So far, no other State has expressed its intention to join the Convention.

### Inventory of hazardous materials

New European and EU-flagged ships which are to be dismantled must have onboard an inventory of hazardous materials (IHM), verified by the competent administration or authority, indicating the location and approximate quantities of those materials. Since 31 December 2020, the first and third subparagraphs of Article 5 (2) and Article 12 (1) and (8) of [Regulation \(EU\) No 1257/2013](#) apply. This concerns the inventory of hazardous materials as well as requirements for ships flying the flag of a third country.

### Requirements for ships flying the flag of a third country

A ship flying the flag of a third country shall have a hazardous materials record on board when calling at a port or anchorage of an EU Member State. However, in the event of force majeure or imperative safety considerations, or to reduce or minimise the risk of pollution or to have deficiencies rectified, access to a specific port or anchorage may be permitted by the competent authority of a Member State. As a prerequisite, adequate measures to the satisfaction of the competent authority of the Member State have to be implemented by the owner, the operator, or the master of the ship to ensure safe entry. In addition, ships flying the flag of a third country and applying for registration under the flag of a Member State must ensure that an inventory of hazardous materials is kept onboard or is established within six months of registration under the flag of the Member State.

On 13 November 2020, the European Commission published the 7<sup>th</sup> edition of the [European List of ship recycling facilities](#), adding additional

yards to the list: one from Denmark, one from Norway, and two more in Turkey. The list contains 43 yards, including 34 yards in Europe, 8 yards in Turkey and 1 yard in the USA. Several yards on the European list are also capable of recycling large vessels.

On 20 November 2020, a public consultation on the roadmap regarding [Compliance with Flag State requirements](#) closed. The initiative aims to clarify and strengthen flag states and digitise flag registers. The inception impact assessment identified the misalignment between EU legislation and IMO rules following the III-Code introduction in 2016 as a key issue that the initiative aims to address. Besides, the revision aims at addressing the following aspects: increasing risk that the Member States fail to carry out their responsibilities as flag states as a result of the delegation of state flag activities to underfunded recognised organisations; the current flag performance measurement is outdated and overly focused on non-compliance; excessive focus on ex-post-facto non-compliance instead of risk assessments.

Other aspects for improvement include misalignment of flag-state-auditing process rules to the new IMO norms; lack of digitalisation of ship registries; profiling and loopholes in some Member States as a result of the use of overseas Member States ship registries and various concerns raised as a result of the COVID-19 impact. Following the end of the consultation, the Commission announced that it would propose a Directive during the fourth quarter of 2021.

In light of the Hong Kong Declaration, the Commission will publish a report on the review Regulation 1257/2013 on ship recycling by 2023 or 18 months before the entry into force of the Hong Kong Convention. The European Commission's Ship Recycling Regulation Committee discussed the status of the Hong Kong Convention on International Ship Recycling at a meeting on 26 November 2020.

On 22 December 2020, the [Delegated Regulation 2020/2174](#) amending Annexes IC, III, IIIA, IV, V, VII and VIII to Regulation (EC) No 1013/2006 of the European Parliament and of the Council on shipments of waste was published in the Official Journal of the EU. Subsequently, it entered into force on 11 January 2021.

However, EU-approved recycling yards are rarely used. Only 40% of the available capacity of the 43 shipyards is being used. As a result, most European shipping companies scrap their end-of-life ships on Indian beaches, in unsafe conditions for workers and the environment.

While none of India's 20 applicant ship recycling yards have yet been included in the EU list, it seems clear that their attractiveness to EU ships remains strong, while the Indian government remains committed to its target of doubling ship recycling business by 2024. While the European

Commission is now considering adding a handful of India's facilities to the EU list, this would not create sufficient recycling capacity under the EU SRR to prevent EU-flagged end-of-life ships from continuing their routes to Indian beaches.

## 2. NAIADES III ACTION PLAN

### Relevance for marine sector

The initiative aims to set an Inland Navigation Action Plan 2021-2027, aligned to the EU's Multi-Financial Framework to meet objectives of the Green Deal. Since the strategy will amongst others focus on a gradual shift towards zero emission inland vessels with an integrated action plan regarding fleets, infrastructure, and digitalisation, ICOMIA members might be impacted by one of the several actions included in the plan. Therefore, any new development must be carefully monitored and followed up.

### Latest developments

On 24 June 2021, the European Commission [presented](#) its [Communication](#) on the EU Action Plan: 'Inland Waterway Transport Action Plan 2021-2027'. The Action Plan succeeds the 2014-2020 NAIADES II Communication and aims to shift more freight transport to inland waterways, and to set the sector on an irreversible path to zero-emissions.

The Action Plan invokes a paradigm shift towards further digitalisation of the sector, as well as further support to the current and future inland waterways workforce. It, therefore, calls for an integrated approach and a basket of measures incorporating transport, environmental, digital, energy and fiscal policies. The Action Plan identified eight flagship initiatives and 35 actions to promote the shift of freight transport to inland waterways, the transition to zero-emission inland waterway transport, smart inland waterway transport and more attractive and sustainable jobs in inland waterway transport.

The flagships are the following:

- flagship 1: Helping waterway managers to ensure a high level of service (Good Navigation Status) along EU inland waterway corridors by 31 December 2030;
- flagship 2: Updating the EU's legal framework for intermodal transport to stimulate IWT;
- flagship 3: Speeding up certification procedures for innovative and low emission vessels;
- flagship 4: Guaranteeing IWT investments take into account climate and environmental objectives;
- flagship 5: Developing inland ports as multimodal alternative fuels infrastructure hubs;
- flagship 6: A roadmap for digitalisation and automation of IWT;
- flagship 7: Smart and flexible EU crewing rules;
- flagship 8: Supporting the sector and Member States in the transition to zero-emission vessels.

Due to the multiplicity of flagships and related actions, the report highlights flagship 5 and three key actions. These are:

- action 9: Specific actions arising from the Mission on Healthy Oceans, Seas, Coastal and Inland Waters and from the Zero-Emission Waterborne Transport Partnership/Green Hydrogen partnership, from 2021;
- action 13: Analysis to assess the need for measures for promoting low carbon/zero-emission vessels, in 2025;
- action 19: Request the European Standardisation Organisation for harmonised standards for alternative fuels infrastructure for inland waterways and ports, in 2021.

#### **Next steps**

Following its presentation, the Communication was sent to the EP and the Council, who can formally respond to it in the form of a Parliament own-initiative Resolution or Council Conclusions.

#### **Key stakeholders**

The key Commission officials dealing with this file are part of DG MOVE, Directorate D Waterborne, Unit D3 – Ports and Inland Navigation:

- Daniela ROSCA – Head of Unit
- Jorgen BJERRE – Deputy Head of Unit

### 3. BIOCIDAL PRODUCTS REGULATION (EU) No 528/2012

#### Relevance for marine sector

The key product in the list which is of interest to ICOMIA would be:

**Product 21 (Other Biocidal Products) - Antifouling products:** These are products used to control growth and settlement of fouling organisms (microbes and higher forms of plant and animal species) on vessels, aquaculture equipment or other structures used in water. Antifoulings used in the boating industry represent a very small percentage compared to other sectors such as agriculture, buildings, or gardening.

The active substance/product type combinations listed are all those for which an application for approval has been submitted under BPR, including "existing" active substances included in the Review Programme and "new" active substances. In this regulation, active substances are classified according to their category: human hygiene, wood protection products, insecticides, taxidermy, etc. Active substances for antifouling are classified as product type 21 and represent 12 molecules. The 12 molecules are subject to eco-toxicology tests and environmental impact tests. The following active substances are allowed for antifouling paints according to the European Chemicals Agency (ECHA):

- 4,5-Dichloro-2-octylisothiazol-3(2H)-one(4,5-Dichloro-2-octyl-2H-isothiazol-3-one (DCOIT));
- Bis (1-hydroxy-1H-pyridine-2-thionato O,S) copper (Copper pyrithione);
- Copper;
- Copper thiocyanate;
- Dichloro-N-[(dimethylamino)sulphonyl],fluoro-N-(ptolyl) methanesulphenamide (Tolylfluamid);
- Dicopper oxide;
- Medetomidine;
- N-(Dichlorofluoromethylthio)-N',N'-dimethyl-N-phenylsulfamide (Dichlofluamid);
- Tralopyril;
- Zineb;
- Pyrithione zinc (Zinc pyrithione) – under review;
- N'-tert-butyl-N-cyclopropyl-6-(methylthio)-1,3,5-triazine-2,4-diamine (Cybutryne) – not approved;

Research and development methodologies are making significant strides in improving the efficacy and environmental performance of antifouling products, from polymer binder design to the biocide content and overall formulation. Beyond current biocidal formulations, paint companies are busy investigation next-generation technologies that

could eliminate the need for biocides altogether. This includes the consideration of the regulatory landscape, as trends need to be analysed to assess what the way forward might be, with the aim of adopting innovative solutions to meet increasingly restrictive regulations such as the BPR, which calls into question even the less harmful copper-based antifouling paints.

The text requires that all key biocides used in antifouling yacht paints in the EU be assessed. The application and maintaining of these paints is costly for recreational vessels and can be huge for large ships. The combination of environmental concerns, rising costs, and technological changes has spurred the search for better solutions.

ICOMIA members should closely follow the developments in the BPR and, when investigating future products to be launched, consider the fact that requirements from the European Commission are becoming increasingly stringent, which is undoubtedly not the best situation for antifouling producers, who face a time-consuming, confusing, and expensive process to deal with the most recent updates of the BPR.

#### Latest developments

##### The Commission granted authorisation:

- for [Poland on the use of biocidal product Biobor JF](#) on 10 August 2021;
- for the use of a [biocidal product 'Pesguard® Gel'](#) on 25 June 2021;
- for the use of a [biocidal product family 'Contec IPA Product Family'](#) on 31 August 2021;

##### The Commission granted approval:

- for [alkyl \(C12-16\) dimethylbenzyl ammonium chloride \(ADBAC/BKC \(C12-16\)\)](#) on 19 July 2021;
- for [Schuelke & Mayr GmbH](#) for the making available on the market and use of the biocidal product animals (product-type 2 and 4) family on 8 July 2021.

##### The Commission proposed implementing measures to approve:

- [active chlorine generated from sodium chloride by electrolysis as an active substance for use in biocidal products of product types 2, 3, 4 and 5;](#)
- [active chlorine released from hypochlorous acid as an active substance for use in biocidal products of product-type 1;](#)
- [expiry date of approval of metofluthrin for use in biocidal products of product-type 18;](#)
- [postponing the expiry date of approval of alphachloralose for use in biocidal products of producttype 14.](#)

### Next steps

#### Granting Union authorisation:

The Commission is expected to grant authorisation for:

- [Solenis Switzerland GmbH for the making available on the market and use of the biocidal product family "C\(M\)IT/MIT formulations;](#)
- [biocidal product family 'CMIT-MIT Aqueous 1.5-15';](#)

#### Granting approval:

The Commission is expected to propose draft implementing measures to approve:

- didecyldimethylammonium chloride (DDAC) for use in biocidal products of product types 3 (veterinary hygiene products) and 4 (food and feed area);
- sulfuryl fluoride for use in wood preservatives (product type 8) and insecticides, acaricides and products to control other arthropods (product-type 8 and 18);
- peracetic acid generated from tetraacetythylenediamine (TAED) and hydrogen peroxide product type 2;
- peracetic acid generated from 1,3-diacetyloxypropan-2-yl acetate (triacetin) and hydrogen peroxide product type 2;
- disodium tetraborate pentahydrate as an active substance for use in wood preservatives (product type 8);
- boric acid as an active substance for use in wood preservatives (product type 8);
- 2-Phenoxyethanol for human hygiene (skin), disinfectants and algaecides;
- salicylic acid for disinfectants and algaecides;
- 2,2-dibromo-3-nitrilopropionamide (DBNPA);
- esbiothrin;
- 5-chloro-2-methylisothiazol-3(2H)-one (C(M)IT);
- Ethanol (product types 1, 2 and 4);
- Hydrogen peroxid.

The Commission is expected to present the evaluation of the Biocidal Product Regulation in 2025 and the implementation report by 30 June 2026.

### Key stakeholders

The key Commission officials dealing with this file are part of DG SANTE, Directorate E Food and Feed safety, Innovation, Unit E4 - Pesticides and Biocides:

- Klaus BEREND - Head of Unit
- Almut BITTERHOF - Deputy Head of Unit
- Ludovic CHATELIN - Policy Officer – Biocides
- Mario NAGTZAAM - Policy Officer - Biocides and REACH

### Background

The European Biocide Directive was established in 1998 and laid the foundation for the ban of TBT tributyltin in 2003. In order to meet technological updates in this area, the Biocidal Products Regulation (BPR, [Regulation \(EU\) 528/2012](#)) came into force in 2012. It regulates the placing on the market and use of biocidal products, which are used to protect humans, animals, materials, or articles against harmful organisms through the action of the active substances contained in the biocidal product. This regulation aims to improve the functioning of the biocidal products market in the EU while ensuring a high level of protection for humans and the environment. The Regulation is divided into four different categories, which include 22 different products. These categories are disinfectants (group 1), preservatives (group 2), pest control (group 3) and other biocidal products (group 4).

#### **Report on the implementation of the Biocidal Products Regulation:**

EU Member States are cooperating with ECHA for the active substances review programme. Together with the European Authority, Member States are intensifying the assessment of biocidal active substances with potential endocrine-disrupting properties. Member States submitted their national reports on the implementation of the Biocidal Products Regulation by 30 June 2020. These reports would be instrumental in the work of the European Commission, tasked to present the Regulation Implementation Report by 30 June 2020.

#### **Granting Union authorisation:**

On 24 August 2020, the Commission [Implementing Regulation](#) entered into force. The measure granted authorisation for the single biocidal product 'ClearKlens product based on IPA'. The authorisation is valid until 31 July 2030. On 3 September, the Commission [Implementing Regulation](#) entered into force. The granted authorisation for the biocidal product family 'Iodine based products – CID LINES NV'. The authorisation is valid until 31 August 2030.

#### **Granting approval:**

On 13 August 2020, the Commission Implementing Regulation entered into force. The measures granted approval for icaridin for use in biocidal products. The expiry date of the approval is 31 January 2030.

**Authorisation for cultural heritage:**

The Commission has allowed Denmark, Germany, Austria, Spain, France, Portugal to authorise the making available on the market and use of biocidal products for the protection of cultural heritage.

As the UK is no longer part of the EU scheme for regulating biocides, the existing EU Biocidal Products Regulation was mirrored into British law as GB Biocidal Products Regulation (GB BPR) and a GB version of the EU Article 95 list has been established. The GB Article 95 list operates in the same way as the EU Article 95. If you made an application under EU BPR before 1 January 2021 and have not yet had a decision for the UK market you need to resubmit your application to HSE by 31 December 2022 if you want to remain on the GB Article 95 List.

#### 4. PORT RECEPTION FACILITIES (PRF) FOR SHIP-GENERATED WASTE AND CARGO RESIDUES + UPDATES ON EU PORT SERVICES REGULATION

##### Relevance for marine sector

According to the text, "ship" means a seagoing vessel of any type operating in the marine environment, and includes fishing vessels, recreational craft, hydrofoil boats, air-cushion vehicles, submersibles, and floating craft.

Under the reform, ships will have to pay an indirect fee giving them the right to deliver their waste to a port, and this fee will be payable whether or not they deliver waste. This fee will also apply to fishing vessels and recreational craft, which means that it will also tackle the disposal of fishing nets and passively fished waste at sea. The fee will be based on the principle of cost recovery. This will therefore have a direct impact on recreational craft. The Commission believes that while the majority of marine litter comes from land-based activities, the shipping industry, including the fishing and recreational sectors, also makes an important contribution by discharging litter, including plastics and discarded fishing gear, directly into the sea.

##### Latest developments

**Port Reception Facilities:** On 8 June 2021, the Commission presented its Staff Working Document on the Global Integrated Shipping Information System (GISIS). The Document contains a draft Union submission to the 77th session of the Marine Environment Protection Committee (MEPC 77) of the International Maritime Organization (IMO) to take place from 8 to 12 November 2021. It invites the MEPC to consider the development of a data transfer mechanism for the Port Reception Facilities module of the Global Integrated Shipping Information System (GISIS).

**Port Services Regulation:** In July, [the EC has warned](#) in writing Cyprus, Belgium and Portugal over their failing to fully comply with certain notification obligations under the Port Services Regulation. The three MS have time until the end of September to officially respond to the arguments raised by the EC.

##### Next steps

**Port Reception Facilities:** The 77th session of the Marine Environment Protection Committee (MEPC 77) of the International Maritime Organization (IMO) will take place from 8 to 12 November 2021. The Commission's Staff Working Document and the suggestion to consider the development of a data transfer mechanism for the Port Reception Facilities module of the Global Integrated Shipping Information System (GISIS) will be discussed.

**Port Services Regulation:** In the case of non-satisfactory responses by Cyprus, Belgium, and Portugal to the Commission's warning regarding their failing to comply with certain notification obligations under the Port Services Regulation, the Commission may decide to refer them to the Court of Justice.

### Key stakeholders

Within the European Commission, DG MOVE — Directorate-General for Mobility and Transport, Directorate D Waterborne, Unit D2- Maritime Safety is dealing with these files:

- Fotini IOANNIDOU - Head of Unit
- Barbara SELLIER - Deputy Head of Unit

### Background

In 2018, the Commission presented a [Proposal for a Directive on Port Reception Facilities for the Delivery of Waste from Ships](#), which repeals and replaces the Port Receptions Facilities Directive and includes changes to the Directive on Port State Control. On 27 June 2019, [Directive \(EU\) 2019/883](#) entered into force. In 2021, the Commission is expected to come forward with three initiatives related to ship-generated waste:

- **Ship Waste Management** – calculation method for on-board waste storage capacity: [Initiative](#) aiming at a uniform method to calculate the on-board waste storage capacity of ships, to determine whether a ship may leave a port without delivering its waste. Adoption planned for the second quarter of 2021;
- **Sustainable Management of Onboard Ship Waste:** EU incentive scheme – [Initiative](#) to define criteria for eligibility of rewarding ships that reduce onboard waste or ensure sustainable waste management by reducing the waste fee they have to pay at EU ports. Adoption planned for the first quarter of 2021;
- **Ship Waste Management:** Risk-based mechanism for selecting ships for inspections – [Initiative](#) to determine which ships to inspect to control the delivery of all waste from ships to the port. Adoption planned for the second quarter of 2021.

[Regulation 2020/697](#) entered into force on 28 May 2020. It amends the Port Service Regulation, enabling authorities or managing bodies to provide flexibility regarding levying of port infrastructure charges due to the implications of the Corona crisis. Port operators may waive, suspend, reduce, or defer the payment of port infrastructure charges stemming between 1 March and 31 October 2020. However, such a decision must be granted in an objective, non-discriminatory and transparent way. Member States retain the power to regulate the adoption of such decisions through the competent port authorities.

Under [Directive 2019/883](#), the Commission is expected to present a report providing an overview regarding the exercise of the power to adopt delegated acts. As set out in the Directive, the Commission is entitled to adopt delegated acts until June 2024.

The [EU Port Services Regulation](#) (PSR) has been applicable since 23 March 2019. It established a framework for the provision of port services and common rules in the financial transparency of ports. Moreover, the Regulation defines rules on the organisation of port services, minimum requirements for the provision of port services, compliance with minimum requirements, limitations on the number of providers of port services, public service obligations, internal operators, employee rights, financial transparency, trading of staff and penalties and appeals.

On 20 November 2020, a [consultation](#) on the roadmap for a Directive on Port State Control closed. The Directive aims at revising the Directive on [Port State Control](#) and is intended to introduce more targeted inspections focusing on operational issues, an incentive mechanism for quality shipping and the recruitment and retention of inspectors. Among the feedback received were:

- [European Sea Ports Organisation](#): No specific issues linked to the roadmap were raised, but the organisation considers the current PSC Directive as well-functioning.
- [European Community Shipowner's Association](#): The association highlighted the importance of having a robust Flag State Control regime in place, as the largest responsibility for monitoring compliance of ships lies with the Flag State. Moreover, the association notes that PSC results should not be used to determine if a ship is well-performing or environmentally friendly. Overall, associations advocated for a more flexible approach to keep the Directive aligned with international standards.

## 5. INDUSTRIAL EMISSIONS DIRECTIVE 2010/75/EU

### Relevance for marine sector

The IED requires Member States authorities to issue permits for industrial installations with various activities, including waste management and the chemical industry. This also effects emissions from the production processes of engines and equipment/machinery of recreational crafts and vessels. Hence, the permit considers the emission limits for polluting substances, noise, and waste of the installation.

### Latest developments

The Commission held the final stakeholder workshop on the revision of the IED on 7 July 2021. The [presentation](#) slides were released on 26 August 2021. The discussion began with an outline of the key objectives of the IED revision. The Commission noted that it aimed to revise the measure to contribute to the EU's zero pollution ambition and harmonise it to EU's decarbonisation, energy, and circular economy policies.

Furthermore, the Commission outlined the following objectives:

- preventing/reducing pollutants' emission by large industrial and agro-industrial plants;
- ensuring a harmonised pre-emptive approach to transboundary pollution and establish a level playing field across the EU for pollution prevention;
- ensuring access to individuals, local communities and civil society organisations access to information and environmental decision-making;
- ensuring IED is more dynamic on the revision of permits of large industrial plants while supporting innovation in the field;
- contributing to the transition to a circular economy and support decarbonisation of the sector.

Following the presentation of the objectives, the Commission introduced the four policy options (PO1-4).

**Policy Option 1** focused on the effectiveness of the IED. The key objectives were to improve environmental protection, information access and coherence in implementation. Limited measures to promote resource efficiency would be promoted through the deletion of exemptions on energy efficiency requirements. This policy option has relatively low ambition and would imply the adoption of several policy measures.

**Policy Option 2** would expand the focus on supporting innovation, through the establishment of the Innovation Observatory, the implementation of more environmentally performing Emergency

Techniques instead of Best Available Techniques (BATs). In addition, this option would include further requirements on the BAT reference documents (BREFs) to provide information on resource use and hazardous substances together with a permit review by 2035, requiring a Transformation Plan to be introduced.

**Policy Option 3** presented a more ambitious approach for IED to promote a transition to safer chemicals, resource efficiency (RE) and circular economy (CE). It was explained that such a policy option would require installations to have an Environmental Management System including sections for RE, CE and Chemicals Management. Furthermore, it would require that sector-specific information on feedstock and waste was included in the BREF process. To support decarbonisation, the policy option envisaged the introduction of a sunset date to IED Article 9(1) so as to make End of Life Vehicles (ELVs) cover greenhouse gas emissions.

**Policy Option 4** would focus on the central role of IED in promoting industrial decarbonisation through the deletion of IED Article 9(1) so as to set emission limit values for all GHG emissions from IED installation. PO4 would also propose the introduction of explicit reference to the binding nature of resource efficiency BAT-AEPLs, for new permits or reviews and would require Member States to create national industrial symbiosis plans.

In addition, the Commission presented a horizontal package (PO5) to extend the industrial sectoral scope of the IED. This option envisaged a wider coverage of livestock production by adding the rearing of cattle and increasing the scope of the IED to include rearing of pigs and poultry, the mining, quarrying and aquaculture sectors, and lastly, through expanding the definition of certain sectors currently under the IED.

With regards to consultation activities, an overview of the public consultation process was provided. Among the key findings of the public consultation, it was noted that all stakeholder groups agree that oil and gas activities and urban waste treatment plants (UWWTPs) should be included in IED to reduce their negative impacts on the environment and human health. Furthermore, public authorities, citizens and companies also agreed on the need to include intensive rearing of cattle, aquaculture, and mining. However, less support was received to the possibility to include energy industries, storage of hazardous substances and landfills.

### Next steps

The Commission may present the proposal for the revision of the Directive in Q4 2021. Once the Commission adopts its proposal, it will be sent to the Council and the European Parliament for examination. Once the Council and the European Parliament have finalised their positions, trilogue negotiations are expected to begin between the co-legislators in Q3 2022.

### Key stakeholders

Within the European Commission, DG ENV Unit C4 on Quality of Life – Industrial Emissions and Safety is dealing with this directive:

- Aneta WILLEMS - Head of Unit
- Christopher ALLEN - Deputy Head of Unit
- Michael BENNETT - Policy Officer

### Background

[Directive 2010/75/EU of the European Parliament and the Council on industrial emissions](#) is the main EU instrument regulating pollutant emissions from industrial installations. The IED entered into force on 6 January 2011 and has been in force in the Member States since 7 January 2013. The IED aims to achieve a high level of protection of human health and the environment as a whole by reducing harmful industrial emissions across the EU, in particular through better application of Best Available Techniques (BAT).

The IED is based on 5 pillars:

- integrated approach means that the permits must consider the overall environmental performance of the plant, covering emissions to air, water and soil, waste generation, use of raw materials, energy efficiency, noise, accident prevention, and site restoration after decommissioning;
- permit conditions, including emission limit values, must be based on the BAT;
- IED leaves some flexibility for competent authorities to set less stringent emission limit values. This is possible only in specific cases where an assessment shows that achieving the emission levels associated with BAT described in the BAT conclusions would lead to disproportionately higher costs compared to the environmental benefits due to the geographical location or the local environmental conditions or the technical characteristics of the installation;
- IED contains mandatory requirements for environmental inspections. Member States are required to set up a system of environmental inspections and to draw up inspection plans;
- IED ensures public participation in the decision-making process.

On 23 March 2021, the [13-weeks public consultation](#) on the revision of the Industrial Emission Directive (IED) closed. The Commission's aim was to gather feedback on the possible measures to be included in the

revision of the IED. The evaluation of the Directive identified areas where the functioning of the overall industrial emissions framework could be improved to contribute to the objectives of the EU Green Deal and the Zero Pollution Action Plan.

On 24 March 2020, the Commission launched its [feedback](#) period on the [inception impact assessment](#) regarding a proposal revising the IED, which closed on 21 April 2020. An overview of the submitted feedback can be accessed [here](#). However, a range of stakeholders, including the Confederation of Swedish Enterprise, Enel, the international association representing the District Heating and Cooling (Euroheat & Power), the Federation of German Industries (BDI) and Jernkontoret, pointed out that since many provisions under the Directive have not yet been implemented, the Directive's performance and potential have not yet been fully assessed. These stakeholders conclude that it would be premature to revise the Directive. It remains to be seen whether and how the Commission will address these concerns.

The [evaluation](#) of the Directive identified several areas where improvements are needed:

- many sectors outside of the IED scope cause pollution;
- comparability of Member States' implementation of EU requirements, including Best Available Techniques (BAT) conclusions, into permits and verification;
- contribution to reducing industry emissions to water.
- elaboration of BAT conclusions;
- public access to information, participation in decision making and access to justice;
- contribution to the circular economy;
- interaction with industry decarbonisation efforts;
- coherence with other EU legislation.

The inception impact assessment indicates among the policy options considered by the Commission:

- inclusion of additional sectors in the scope of the Directive (e.g., cattle farms, mixed farms, extractive industries, aquaculture, and installations in current sectors) to reduce the pollution;
- enhance the consistent implementation of IED in Member States;
- explore the potential of the IED to further contribute to circular economy objectives;
- ensure coherence with other EU legislation.

## 6. MARINE STRATEGY FRAMEWORK DIRECTIVE 2008/56/EC

### Relevance for marine sector

Similar to the WFD, it is important to note that the MSFD's scope applies to all areas where ICOMIA has activities, i.e., in marine and coastal waters (as described in the MSFD). The recreational boating industry will therefore have a substantial interest in key areas such as non-indigenous species, invasive species, recreational fishing, nutrient input, hydrographical changes, contaminants in sea and seafood, marine litter, energy use including underwater noise or biodiversity & habitats. These areas are all linked to the qualitative descriptors listed in the Annex I to the text (referred to in Articles 3(5), 9(1), 9(3) and 24).

**Non-indigenous species** can threaten marine biodiversity when they become 'invasive'. In EU waters, Member States identify shipping and aquaculture as the two main activities that can lead to the introduction and spread of non-indigenous species. Adherence to the IMO's Biofouling Guidelines is recommended.

**Invasive species:** Measures mentioned by 16 Member States in their programmes often draw on regional work and existing EU law. Some MS have already introduced targeted measures to reduce the risk of introducing non-indigenous species, such as Sweden, which has introduced a national warning and response system that alerts authorities immediately when a new non-indigenous species is sighted. ICOMIA and its partners need to inform the Swedish Governmental Authorities that with the help and support of the Department of Transport, a possible solution may be to follow IMO Guidelines.

**Recreational fishing:** The national programmes must also have good synergies with the requirements of the Common Fisheries Policy. Belgium has taken measures to improve the control and monitoring of recreational fishing by introducing a legal measure that simplifies monitoring and improves data collection. There is a need for more detailed information and data to determine whether it will become a threat for the recreational industry.

**Nutrient input** will mostly affect marinas. Excessive inputs of nutrients and organic substances into the sea promote algal blooming, leading to eutrophication. While all marine waters in the EU are affected to some extent, the impact is most notable in the Baltic Sea. Nutrient enrichment is mainly attributed to agriculture, industry, urban discharge, aquaculture and, to a lesser extent shipping. Most Member States in the Baltic Sea did not expect this target to be achieved by 2020, while most Member States in the Mediterranean Sea have indicated that it has already been achieved. Finland is reducing nutrient inputs to the environment by applying gypsum to fields, which reduces the concentration of phosphorus in the soil and thus the leaching of phosphorus into freshwater systems.

**Hydrographical changes** include measures that can potentially affect dredging in marinas and yards (as well as sand extraction, desalination, and others). Impacts can be seen in

changes to ocean currents or wave action, tidal regimes, temperature, pH levels, salinity or turbidity and can all negatively affect marine species and habitats. France is currently developing a guidance document to help stakeholders assess the cumulative impacts of human activities. This will be particularly relevant for hydrological pressures, for which cumulative impacts have rarely been addressed.

**Contaminants in the sea and in seafood:** For environmental and human health reasons, it is important that the levels of contaminants in the marine environment remain low so that marine life is not affected. In discussions on heavy metals, several MS stated that historical pollution is one of the sources of contamination. Emissions from recreational craft (AF's Coatings, etc.) could also be a contributor. Poland has adopted a mix of measures to target different contaminants, including measures to regulate contaminants such as dredged materials, paraffin, and their derivatives. Stormwater and wastewater systems are also being rebuilt and measures are being introduced to reduce contaminants in water from exhaust gas treatment plants. Other measures include plans to modernise its inland waterway fleet or permitting provisions for the discharge of industrial wastewater.

**Marine litter** is a pressure on the marine environment that potentially affects the seafloor and beaches. To fight marine litter, MS draw on a number of existing EU laws on waste management, urban wastewater, and port reception facilities, as well as on international agreements. In the fisheries sector, the most common measures are beach clean-ups, 'fishing for litter' and communication initiatives. While these have a modest impact on reducing the pressure, they help to raise awareness. France has taken two noteworthy measures against marine litter. The first one is part of the national waste prevention programme and consists of extending producers' responsibility, limiting certain products, such as single-use plastic bags, promoting voluntary actions to reduce and recycle marine litter and aligning regional litter prevention and management plans with the water and marine policy tools, the port waste reception and treatment plans. The second measure tackles shellfish aquaculture, an activity which can be a significant source of litter.

**Energy, including underwater noise** (in the form of heating and electricity systems, noise, electromagnetic radiations, radio waves or vibrations) can also put pressure on the marine environment. So far, most Member States have focused their efforts on underwater noise, which may come from shipping, boating, marine research, etc. Measures being taken include protecting specific areas from both impulsive and continuous noise, developing 'eco-friendly' ships, or limiting the use of certain types of lights on oil and gas platforms. Cyprus has reported a measure that addresses impulsive underwater noise by requiring 'soft-start/slow-start' conditions in the exploration and exploitation of hydrocarbons.

**Marine biodiversity** potentially affects marine spatial planning. Avoiding negative impacts of pressures on the marine environment should improve conditions for marine species and habitats. Member States have measures that address different marine habitats, such as spatial protection measures, although these are spatially limited in spatial scope and may not target areas where pressures are greatest (e.g., seabed trawling outside protected areas).

**Water column and seabed habitats** are mostly focused on management plans for marine protected areas, the implementation of the Natura 2000 Network of the Habitats Directive's and the adoption of other national spatial protection measures.

Sweden has strongly linked its biodiversity measures to addressing specific pressures in water column habitats, dealing with commercial fish and shellfish through fisheries regulations and management, marine protected areas and seasonal closure areas; with eutrophication by reducing long-term nutrient loading in eutrophic bays and in the Baltic Sea; with pollutants, by managing discharges of hazardous substances such as antifouling substances and sewage; and with non-indigenous species through indirect measures such as awareness-raising, management plans and risk-reduction measures.

Four Member States noted that damage is also caused by recreational activities, including recreational boating. Various human activities can affect the seabed, mainly through physical disturbance, with commercial bottom-trawl being the most widespread. The seabed can also be damaged by recreational activities such as anchoring recreational boats or recreational fishing. Spain, for instance, has introduced guidelines for recreational marine activities.

As ICOMIA and its members have a fundamental interest in coastal waters, they should keep abreast of all developments related to the MSFD, including future consultations and other political developments that may in some way affect the current framework of action for the MSFD.

**Latest developments**

On 8 April 2021, the European Commission published an Inception [Impact Assessment](#) for the review of Directive 2008/56/EC establishing a framework for community action in the field of marine environmental policy (MSFD). The Commission's aim is to inform citizens and stakeholders about the work to allow them to provide feedback on the intended initiative and to participate in future public consultations. In this context, a [12-week public consultation](#) was launched on 22 July and will close on 21 October. Citizens will be consulted:

- on the main topics and issues to be covered by the evaluation and prioritised for the subsequent impact assessment;
- to gather knowledge about the implementation of the MSFD and the coordination it requires;
- to solicit views and opinions on possible future options and actions. These opinions and knowledge will complement the analyses based on other sources of information.

A number of additional consultation activities are being considered, which are expected to include a stakeholder conference planned for autumn 2021 to present and discuss the key issues and approaches. Moreover, expert workshops on individual topics of interest/relevance were and will be organised until summer 2022 in parallel with expert group meetings of the MSFD common implementation strategy.

Additional targeted consultations will be carried out with the support of the consultants, aimed in particular at Member State authorities and Europe-wide stakeholder organisations.

In parallel, the Commission adopted [guidelines](#) which clarify the scope of the term “environmental damage” in the directive on environmental liability on 25 March. An EC evaluation showed that a lack of common understanding among MS and stakeholders on the application of the term ‘environmental damage’ was weakening the Directive’s implementation. These guidelines will help MS to better assess in which ways damage to water, land and protected species and natural habitats must be prevented or restored by explaining the scope of each of these categories. The notion of ‘environmental damage’ is also closely related to other EU legal requirements, notably in the [Water Framework Directive](#).

#### Next steps

At present, the European Commission is still expected to review the MSFD. The revision would make sure that consistency and coherence between the MSFD and the Water Framework Directive (WFD) are achieved. Hints from the Fitness Check on the WFD suggest that particular attention would be devoted to sediment management, the interplay between the MSFD and indicators and thresholds set by Member States for the assessment of status required for the regional sea conventions.

#### Key stakeholders

Within the European Commission, the key unit is in DG ENV - Directorate-General for Environment - Unit C2, Quality of Life - Marine Environment and Water Industry:

- Silvia BARTOLINI - Head of Unit
- Michel SPONAR - Deputy Head of Unit
- Fabio PIROTTA - Team Leader - Policy assistance / Marine Protection

#### Background

The [Marine Strategy Framework Directive \(MSFD - 2008/56/EC\)](#) was adopted in June 2008. It aims to protect the marine environment across Europe while allowing the sustainable use of the sea. The Directive establishes the ecosystem approach to the management of human activities affecting the marine environment in a legal framework that integrates the concepts of environmental protection and sustainable use.

The Commission also produced a set of detailed criteria and methodological standards to help Member States implement the Directive. These were revised in 2017, leading to the new [Commission Decision on Good Environmental \(GE\) Status](#). GES is determined at the level of the marine region or sub-region on the basis of eleven qualitative descriptors. In order to achieve GES by 2020, each Member State was

required to develop a strategy for its marine waters (or Marine Strategy). In addition, because the Directive follows an adaptive management approach, the Marine Strategies must be kept up-to-date and reviewed every six years.

[Annex III of the Directive](#) was amended in 2017 to better link ecosystem components, anthropogenic pressures and impacts on the marine environment with the MSFD's 11 descriptors and with the new Decision on Good Environmental Status. The MSFD mainly applies to marine waters and may influence activities such as navigation, dredging and new construction.

On 11 December 2019, the Commission adopted the [European Green Deal Communication](#), which announced that the Commission will present a Biodiversity Strategy by March 2020 and specific actions by 2021. As a result of the COVID-19 crisis, the Biodiversity Strategy was delayed. On 23 December 2019, the Commission presented a [roadmap](#) outlining its action plan for a new Biodiversity Strategy. The Commission clarified that the strategy outlines the EU's ambitions for the post-2020 global biodiversity framework which was supposed to be adopted at the 15<sup>th</sup> Conference of the Parties to the United Nations Convention on Biological Diversity in October 2020 and that it is an integral part of the European Green Deal. The conference, and therefore the adoption of the post-2020 global biodiversity framework, has been postponed and will take place in two parts. The first part is scheduled to take place in a virtual format from 11-15 October 2021. The second part will take place in China from 25 April – 8 May 2022.

In a European Parliament [Resolution](#) responding to the European Green Deal, adopted on 15 January 2020, the EP Plenary welcomed this renewed effort. Furthermore, the European Parliament asked at least 10 % of the MFF to be dedicated to biodiversity.

On 25 June 2020, the Commission published a report on the implementation of the Marine Strategy Framework Directive. The Commission will use the report for the revision of the Directive, which must be reviewed by mid-2023.

The report underlines that the EU has a holistic and comprehensive marine policy approach to manage human activities in Europe's seas. The Directive requires the Member States to monitor the conditions of ecosystems and the data sharing within the Member States and through regional conventions has started. The report stressed that the legal timeframe to reach a good environmental status is not sufficient.

The report identified critical areas where improvements are needed:

- the Commission and the Member States should ensure policy coherence when defining or updating the operational objectives of key policies;
- it is necessary to put in place adequate measures that target the most critical pressures per marine subregion to improve the environmental status and to prevent the major causes of deterioration;
- simplification of timelines and reporting processes requires more data availability and harmonisation. It requires cross-policy coordination at national and European level.

## 7. WATER FRAMEWORK DIRECTIVE, GROUNDWATER DIRECTIVE AND BATHING WATER DIRECTIVE

### Relevance for marine sector

Regarding the applicability of the **Water Framework Directive**, it is clear that it covers all ranges of water sectors in which ICOMIA's members have an activity. This means that the WFD can have significant implications for recreational boating, both for ongoing activities such as dredging and disposal and for new development proposals. One of the main issues that the WFD deals with is the discharge of polluting substances. It is also very important to highlight that considering the political reorganisation of several legislative initiatives including REACH, BPR and others, the Water Framework Directive appears to be dominating these other texts. Thus, developments in all legislative and regulatory sectors that are related to water will be subject to the key premises established in the WFD.

According to the Directive, community water policy should be based on a combined approach using control of pollution at source through the setting of emission limit values and of environmental quality standards. Moreover, common environmental quality standards and emission limit values for certain groups or families of pollutants should be laid down as minimum requirements in Community legislation. This wording is what the original text proposes, without any further clarifications regarding the source of the pollution. Therefore, one could assume that "this pollution at source" should be considered at a horizontal level (coming from any source). The legal text also reads that pollution through the discharge, emission or loss of priority hazardous substances must cease or be phased out. Penalties are foreseen to those cases that pose breaches of the national provisions adopted pursuant to this Directive.

There is special stress on **groundwater**, with a prohibition on direct discharges to groundwater, and (to cover indirect discharges) a requirement to monitor groundwater bodies to detect changes in chemical composition, and to reverse any anthropogenically induced upward pollution trend. Below you can find a list of the main pollutants which appear in the WFD.

**ANNEX VIII - INDICATIVE LIST OF THE MAIN POLLUTANTS**

1. Organohalogen compounds and substances which may form such compounds in the aquatic environment.
2. Organophosphorous compounds.
3. Organotin compounds.
4. Substances and preparations, or the breakdown products of such, which have been proved to possess carcinogenic or mutagenic properties or properties which may affect steroidogenic, thyroid, reproduction, or other endocrine-related functions in or via the aquatic environment.
5. Persistent hydrocarbons and persistent and bio-accumulable organic toxic substances.
6. Cyanides.
7. Metals and their compounds.
8. Arsenic and its compounds.
9. Biocides and plant protection products.
10. Materials in suspension.
11. Substances which contribute to eutrophication (in particular, nitrates and phosphates).
12. Substances which have an unfavourable influence on the oxygen balance (and can be measured using parameters such as BOD, COD, etc.).

Regarding the **Bathing Water Directive**, the legal text describes pollution as "the presence of microbiological contamination or other organisms or waste affecting bathing water quality and presenting a risk to bathers' health", which could also mean 'short-term pollution', or microbiological contamination as referred to in Annex I, column A, (faecal matter).

The potential implications for ICOMIA resulting from this Directive appear to be rather limited as it focuses on bacterial pollution. There is reference made to other potential pollution sources in the last EEA 2016 report but only to "pollution from sewage, water draining from farms and farmland or animals and birds on or near beaches" rather than any fuel-related pollution. ICOMIA should therefore simply monitor any potential amendment or change of focus in the implementation and monitoring of the Directive, which may lead to consider other elements.

**Latest developments**

The Commission is currently working on the revision of all three directives.

**Groundwater Directive and Water Framework Directive:** In the State of the Union 2021 Letter of Intent of 15 September, the President of the Commission Ursula von der Leyen and EC Vice-President Maroš Šefčovič announced that one key initiative for 2022 is a legislative proposal on integrated water management regarding surface and groundwater pollutants. The Commission was previously considering putting forward one legal proposal to amend the Annexes to the Groundwater Directive

(GWD), the Water Framework Directive (WFD) and the Environmental Quality Standards Directive (EQSD). The letter of intent confirmed that these initiatives will be merged into one legislative proposal revising the list of chemical pollutants in water. This Commission is therefore no longer expected to present a separate measure revising the list of groundwater pollutants.

**Bathing Water Directive:** The minutes of the Informal Expert Group on the Implementation of Directive 2006/7/EC meeting held on 17 June 2021 have been made available. During the meeting, Member State experts discussed the Review of the Bathing Water Directive (BWD) and the Commission informed the experts on the comments received on the evaluation Roadmap and the Impact Assessment of the Review, carried out between 4 March and 1 April 2021. Additionally, a representative from DG ENV shared the list of issues that will be analysed during the evaluation and impact assessment of the BWD and informed, upon request from Denmark, the experts that the impact of stormwater overflows on bathing water quality would also be analysed during the Review of the BWD.

#### Next steps

**Bathing Water Directive:** The EC is expected to launch a 12-week public consultation on the revision of the BWD in September 2021. The exact date is not yet known. The EC is expected to present a proposal for a Directive revising or amending the BWD during Q1 2023.

**Groundwater Directive and Water Framework Directive:** On 26 July, the Commission launched a 14-week public consultation to gather feedback from stakeholders and to allow to the general public to provide feedback on the possible revision of the Priority Substances List (for surface waters) and of the Annexes of the Groundwater Directive for substances in groundwater. The public consultation will close on 1 November. In addition, a support impact assessment study is expected to be finalised by the end of 2021. The Commission is expected to present the proposal by Q3 2022.

#### Key stakeholders

The relevant Directorate for the WFD is DG ENVI - Directorate C Quality of Life, Water and Air, Unit 1 - Water. As the implementation of the WFD is extremely horizontal and covers all Member States, a large number of EC officials are involved:

- Bettina DOESER – Head of Unit
- Hans STIELSTRA – Deputy Head of Unit
- Rolf-Jan HOEVE – Team Coordinator – Implementation WFD
- Daniela BUZICA – Policy officer - EU water legislation and policy
- Jeanne BOUGHABA – Policy officer – EU water legislation and policy
- Vasileios TYRIAKIDIS – Policy officer - EU water legislation and policy
- Helen CLAYTON – Policy officer – EU water legislation and policy

## Background

The [Water Framework Directive](#) is a European Union Directive which commits European Union Member States to achieve the good qualitative and quantitative status of all water bodies (including marine waters up to one nautical mile from shore) by 2015. It is a framework in the sense that it prescribes steps to reach the common goal rather than adopting the more traditional limit value approach. Much progress has been made in water protection in the individual Member States, but also in tackling significant problems at European level. However, it is worth noting that the Directive's aim for 'good status' for all water bodies will not be achieved, with 47% of EU water bodies covered by the Directive failing to achieve the aim.

On 19 December 2019, the Environmental Council discussed the Fitness check of WFD. The meeting started with a presentation by the European Commission on the main findings of the Fitness Check. The Commissioner for Environment, Oceans and Fisheries, Virginijus Sinkevičius, noted that the results achieved by the WFD are mixed. While the Directive had achieved the positive creation of a governance framework for more than 110 000 water bodies and reduced the deterioration of water status, its implementation has been too slow. The Commissioner noted that insufficient funding and integration of environmental objectives in sectoral policies are issues that should be addressed as soon as possible. The Member States that took the floor highlighted the importance of increasing the circularity in the management of water resources and of financial support to this end.

On 17 February 2020, the European Parliament's Committee on the Environment, Public Health and Food Safety (ENVI) discussed the Fitness Check. Reacting to the comments and concerns of the Committee Members, the Commission declared the following:

- the possible revision of the legislative acts included in the Fitness Check (and more specifically, of the WFD) would aim at strengthening its ambitions, heavily relying on the findings of the Fitness Check itself;
- the enforcement issues exposed by the Fitness Check would be primarily and immediately addressed via infringement procedures;
- the impact of chemical pollution on water resources will be one of the main concerns of the Commission when tackling any possible improvement of the WFD (echoing discussions about the need not to limit this focus only to emerging pollutants).

On 6 August 2020, the Commission published [the Implementing Decision on establishing a watch list of substances for Union-wide monitoring](#) and the measures entered into force on the same day. The Commission

updated the list of priority substances in water. For the drafting of the measures, the Commission took into account the [recommendations](#) of the Joint Research Centre. Metaflumizone, amoxicillin and Ciprofloxacin are retained on the watch list, and 16 substances were added to the list. On 20 November, the Commission's public consultation on the Roadmap for the revision of the list of the priority substances in the field of surface and groundwaters closed. The Commission is considering several policy options:

- adding substances and/or groups of substances to the list of Priority Substances in surface waters (Annex X to the WFD) and the setting of corresponding environmental quality standards in the Environmental Quality Standards Directive;
- removing of existing Priority Substances from the list in Annex X and/or amendment of their environmental quality standards;
- designating/re-designating of some Priority Substances as Priority Hazardous Substances; re-designation of the eight "other pollutants" as Priority Substances;
- amending the provisions as regards surface water watch list monitoring;
- adding the substances to the lists of groundwater pollutants (Annexes I and II to the Ground Water Directive), with corresponding quality standards in the case of Annex I.

The key highlights of the feedbacks are:

- European Chemical Industry Council (CEFIC) called for coherence between existing and future legislation to avoid the overlapping of the objectives. CEFIC argued that the priority list should include only substances which have an EU wide relevance. CEFIC emphasised that the de-selection of substances from the priority (hazardous) substance lists as well as the substances listed in Annexes I and II of the Groundwater Directive should carefully be evaluated;
- Orgalim called the Commission to conduct research on possible priority substances and the combined effect of substances before updating the list.

On 17 December 2020, the European Parliament adopted the Resolution on the implementation of the EU water legislation. The European Parliament agreed with the Commission that no revision of the WFD is necessary. The MEPs invited the Commission to propose updates to the Annexes. The MEPs called the Member States to achieve full compliance with the WFD as soon as possible, and in any case, no later than 2027 and they call the Commission to take strict action to ensure full compliance of all Member States with the WFD as soon as possible, and

no later than 2027. The Resolution welcomes the targets for reducing the use and risks of pesticides by 50 % by 2030 and for reducing the loss of nutrients from fertilisers, as established in the Farm to Fork and Biodiversity Strategies.

Regarding the Bathing Water Directive (BWD), the Commission opened a 4-week public consultation on the combined evaluation roadmap and inception impact assessment for the review of the Bathing Water Directive, which closed on 1 April 2021. In total 51 comments were received. Stakeholders (public authorities, industry stakeholders, NGOs, academic/research institutions) recognised the Member State's efforts in implementing the BWD but identified ways to further improve the bathing water quality assessment.

Moreover, the European Environmental Agency (EEA) published a report on 'Bathing water management in Europe: Successes and challenges' on 26 February. It showcased the improvements in bathing water quality since the introduction of the Directive, while identifying challenges for bathing water management. In the report, the EEA warned that climate change will bring new challenges for bathing water management, due to rising sea levels, more frequent/stronger storms, increased river flow or water scarcity. Nutrient/chemical pollution and plastic pollution also remain problems that require stronger action.

About the Groundwater Directive, the EC's request for a scientific opinion on the additional pollutants in the Annexes to the Ground Water Directive was discussed at the 17th Plenary meeting of the Scientific Committees on Health, Environmental and Emerging Risks (SCHEER). The mandating service, DG ENV C.1, presented the mandates on groundwater quality standards and on priority substances under the Water Framework Directive. SCHEER concluded to set up one working group, which would work on both scientific opinions (on groundwater quality standards for proposed additional pollutants in the Annexes to the Groundwater Directive (2006/118/EC); on draft environmental quality standards for Priority Substances under the Water Framework Directive (2000/60/EC). SCHEER adopted the mandates and concluded that a meeting should be organised with DG ENV and the working group to finalise questions of the mandate and agree on deadlines.

## 8. EU EMISSION TRADING SYSTEM

### Relevance for marine sector

The extension of the EU ETS to maritime transport may affect the market for marine fuels in two ways, the first of which is of interest to ICOMIA members. Firstly, to the extent that this price signal creates incentives for the use of alternative low-carbon fuels, and secondly, to the extent that it induces ships to change their trading behaviour to reduce their exposure to the EU ETS. Both will depend on the carbon price, which would have to be relatively high to have a significant effect.

The projections for carbon prices in the EU ETS assessment of around €45-55/tCO<sub>2</sub> between 2023 and 2030 would have a very limited ability to promote uptake of alternative fuels, considering that the switch to alternative fuels is not only about closing the price gap with fossil fuels. The availability, technical feasibility of alternative fuels, legal safety standards and the level of investment required for their use are also important factors.

### Latest developments

On 14 July, the Commission published the [Proposal For a Directive of the European Parliament and of The Council Amending Directive 2003/87/EC Establishing A System For Greenhouse Gas Emission Allowance Trading Within The Union, Decision \(EU\) 2015/1814 Concerning The Establishment and Operation of a Market Stability Reserve For The Union Greenhouse Gas Emission Trading Scheme And Regulation \(EU\) 2015/757](#) as part of the "Fit for 55" package.

The proposal aims to strengthen the EU ETS in its current scope to provide the appropriate contribution to an overall target of at least -55 % GHG emissions compared to 1990 and ensure continued effective protection for the sectors exposed to a significant risk of carbon leakage while incentivising the uptake of low-carbon technologies. Member States' national budgets will benefit from extending the EU ETS scope to maritime transport and the new emissions trading for road transport and buildings.

The increase in renewable energy supply for transport due to the Renewable Energy Directive could however lower the number of allowances necessary for transport under the ETS. This would lead to a lower carbon price, which would need to be considered when designing the new ETS. The Commission undertook the commitment to extend the EU ETS to maritime transport as part of a basket of EU measures to address emissions from maritime transport, along with action agreed within the International Maritime Organisation (IMO). The Commission proposed a gradual extension of the ETS to maritime transport starting 2023, with a 3-year phase-in period:

- 20% of verified emissions reported for 2023;

- 45% of verified emissions reported for 2024;
- 70% of verified emissions reported for 2025;
- 100% of verified emissions reported for 2026 and each year after that.

The extension focuses on large ships (above 5000 gross tonnages), accounting for 90% of CO<sub>2</sub> emissions. The current EU ETS will be extended to intra-EU traffic and 50% of extra-EU voyages. The same rules that apply to other sectors covered by the EU ETS should apply to maritime transport with regard to auctioning, the transfer, surrender and cancellation of allowances, penalties, and registries.

The Innovation Fund should support investments to decarbonise the maritime transport sector, including investments in sustainable alternative fuels, such as hydrogen and ammonia produced from renewables, and zero-emission propulsion technologies like wind technologies.

#### Next steps

The European Commission's [public consultation](#) on the proposal is running until 8 November 2021. In parallel, in the European Parliament, the Rapporteur responsible will begin preparing the draft Report.

At the Council, COREPER discussed the proposal on 24 September. The Environment Council is expected to discuss the proposal on 6 October 2021. Council experts are expected to continue to meet over the coming months and examine the proposal, in order to prepare the Council's internal position.

#### Key stakeholders

European Commission DG CLIMA, Directorate B European & International Carbon Markets, Unit B.1 - ETS Policy Development and Auctioning is in charge of this file:

- Hans BERGMAN – Head of Unit
- Polona GREGORIN – Deputy Head of Unit

In the European Parliament, MEP Peter LIESE (EPP, DE) is Rapporteur on this file with MEPs Michael Bliss for the Greens and Jytte Guteland for the S&D as shadow rapporteurs.

## 9. COMMISSION REVISION OF REGULATION (EU) 2015/757 ON THE MONITORING, REPORTING AND VERIFICATION OF CO<sub>2</sub> EMISSIONS FROM MARITIME TRANSPORT

### Relevance for marine sector

This Regulation does not apply to warships, naval auxiliaries, fish-catching or fish-processing ships, wooden ships of a primitive build, ships not propelled by mechanical means, or government ships used for non-commercial purposes. It only applies to ships above 5000 gross tonnages in respect of CO<sub>2</sub> emissions released during their voyages from their last port of call to a port of call under the jurisdiction of a Member State and from a port of call under the jurisdiction of a Member State to their next port of call, as well as within ports of call under the jurisdiction of a Member State. In this regard, 'voyage' means any movement of a ship that originates from or terminates in a port of call and that serves the purpose of transporting passengers or cargo for commercial purposes.

As ICOMIA's interests are mostly recreational, the key aspect to consider would be the potential cascading initiatives that could arise as a result of the development of increasingly restrictive CO<sub>2</sub> regulations for the maritime sector.

It is worth adding that in the most recent legislative discussions, shipping and maritime emissions at large are receiving increasing attention. This has also been signalled by the presentation of long-awaited Clean Planet for all - A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy. The Commission has been increasingly calling for a combination of decarbonised, decentralised, and digitalised power, coupled with more efficient and sustainable batteries, as they offer prospects to decarbonise the entire transport sector with strong overall benefits including clean air and reduced noise. More specifically, the calls for electrification of short sea shipping and inland waterways were presented as a viable option, as the power to weight ratio makes it feasible. Hence, logos suggests maintaining a high level of attention on the co-legislators' debates, as ripple effects and request for stronger contributions from waterborne transportation are expected.

### Latest developments

The Commission published its second [2020 Annual Report on CO<sub>2</sub> Emissions from Maritime Transport](#) on 17 August. The Commission is required by the Regulation (EU) 2015/757 on the monitoring reporting and verification (MRV) of CO<sub>2</sub> emissions from maritime transport to publish the Report every year. The Report follows the first [2019 Annual Report on CO<sub>2</sub> Emissions from Maritime Transport](#) and concerns the CO<sub>2</sub> emissions from maritime transport in 2019.

The report showed that:

- the monitored journeys emitted in 2019 over 144.6 million tonnes of CO<sub>2</sub> into the atmosphere, slightly higher than the 1385 million tonnes emitted in 2018;
- around 60% of the CO<sub>2</sub> emissions in both reporting periods stem from voyages between an EEA port and a port located outside the European Economic Area (EEA), incoming or outgoing;

- voyages between two ports in the EEA are responsible for around one-third of the reported CO<sub>2</sub> emissions (32%), while emissions at berth represented 7% of all reported CO<sub>2</sub> emissions in 2019, comparable to 2018;
- The distribution of fuel types used has not significantly changed between 2018 and 2019. The use of liquefied natural gas (LNG) increased from 4% to 5% of the total amount of fuel consumed.

### Next steps

The Report has been sent to the Council and the European Parliament for examination. Both institutions can decide to respond to the Report.

### Key stakeholders

The responsible unit for this file is DG CLIMA's Directorate B - European and International carbon markets, Unit B3 — International Carbon Market, Aviation and Maritime:

- Laurence GRAFF - Head of Unit
- Maja DITTEL – Deputy Head of Unit
- Corina MOCANU - Policy Officer - International carbon market development and maritime issues
- D. NIKOV - Policy Officer - International shipping, emission reduction strategy (IMO), World Bank activities on carbon markets (partnership for market readiness)

European Parliament – ENVI Committee on the monitoring, reporting and verification of CO<sub>2</sub> emissions from maritime transport:

- Rapporteur: Jutta PAULUS (Greens/EFA, Germany)
- Shadow Rapporteur: Pernille WEISS (EPP, Denmark)
- Shadow Rapporteur: Jytte GUTELAND (S&D, Sweden)
- Shadow Rapporteur: Catherine CHABAUD (Renew, France)
- Shadow Rapporteur: Joëlle MÉLIN (Identity & Democracy Group, France)
- Shadow Rapporteur: Alexandr VONDRA (ECR, Czech Republic)
- Shadow Rapporteur: Mick WALLACE (GUE/NGL, Ireland)

European Parliament – TRAN Committee on efficient and cleaner maritime transport:

- Rapporteur: Karima DELLI (Greens/EFA, France)
- Shadow Rapporteur: Magdalena ADAMOWICZ (EPP, Poland)
- Shadow Rapporteur: Vera TAX (S&D, Netherlands)
- Shadow Rapporteur: Caroline NAGTEGAL (RE, Netherlands)
- Shadow Rapporteur: Julie LECHANTEUX (Identity & Democracy Group, France)
- Shadow Rapporteur: Johan VAN OVERTVELDT (ECR, Belgium)
- Shadow Rapporteur: Joao FERREIRA (GUE/NGL, Portugal)

### Background

[European Parliament and Council Regulation \(EU\) 2015/757](#) on the monitoring, reporting and verification (MRV) of CO<sub>2</sub> emissions from maritime transport entered into force on 1 July 2015. This text lays down rules for the accurate monitoring, reporting and verification of carbon dioxide (CO<sub>2</sub>) emissions and of other relevant information from ships arriving at, within or departing from ports under the jurisdiction of a

Member State, in order to promote the reduction of CO<sub>2</sub> emissions from maritime transport in a cost-effective manner. The Regulation amends Directive 2009/16/EC on port State control.

On 4 February, the Commission presented a [proposal for a Regulation](#). The proposal would amend existing EU rules in order to consider the global data collection system for fuel oil consumption of ships established by the International Maritime Organisation (IMO DCS) in 2016.

More specifically, pursuant to Article 22 of the MRV Regulation, the proposal would introduce the "deadweight tonnage" as a new compulsory parameter to be included by companies in their emissions report. The latter would be defined as the difference in tonnes between the displacement of a ship in water of relative density of 1025 kg/m<sup>3</sup> at the summer load draught and the lightweight of the ship. "Cargo carried" would be kept as a voluntary monitoring parameter for those companies willing to provide a calculation of their ships' average energy efficiency based on cargo carried. The proposal would also align with the IMO DCS regarding the methods of calculating distances and travel times. Hence, the travel time determined by the port departure and arrival information would be replaced by the hours underway calculated as aggregated duration while the ship is underway under its own propulsion. The travel distances would no longer be calculated on the basis of the most direct route between the two ports but as the distance overground.

With regards to the list of documentation to be provided, while the emission factors and the type of ship, fuel and engine would have to be submitted, the port of registry or home port and the description of methods used to update the list of CO<sub>2</sub> emission sources would no longer be requested. The definition of "company" would be modified in order to specify that the person or organisation acting in place of the shipowner would have to agree to assume all duties and responsibilities imposed by the International Safety Management Code under Regulation 336/2006.

Finally, the proposal would provide that acquired companies would have 3 months from the day of the completion of the change of Company to submit a report equivalent to an emissions report but limited to the period corresponding to the activities carried out under its responsibility.

On 25 October 2019, Member State Ambassadors adopted the Council's internal negotiating position ([General Approach](#)) on the Commission's proposal.

On 16 September, the European Parliament adopted its position on monitoring maritime transport emissions. The MEPs called to include the maritime industry in the EU Emissions Trading System from 2022, as the Rapporteur Jutta Paulus (Greens/EFA, Germany) proposed in her Report. The MEPs want to oblige companies to reduce their CO2 emissions per transport work by at least 40% by 2030 compared to the average performance per category of ships of the same size and type.

On 19 May, the Commission published the first [Annual Report on CO2 Emissions from Maritime Transport](#), which was required by the Regulation (EU) 2015/757 on the monitoring reporting and verification (MRV) of CO2 emissions from maritime transport.

## SECTION II – Other Relevant EU Policies

### 1. COMMISSION PROPOSAL FOR A DIRECTIVE AMENDING DIRECTIVE 2004/37/EC ON THE PROTECTION OF WORKERS FROM THE RISKS RELATED TO CARCINOGENS AND MUTAGENS AT WORK

#### Relevance for marine sector

Considering that the European Commission and the European Agency for Safety and Health at Work are more and more adamant regarding exposure to carcinogenic chemicals at the workplace, ICOMIA members falling within the scope of the amendments to the Carcinogens and Mutagens Directive should carefully monitor the levels of chemicals to which their workers may be exposed. Political developments with regards to Amendment II and the addition of work involving exposure to mineral oils that have been used in marine engines should be carefully monitored.

#### Latest developments

The Commission presented the Communication on the EU Strategic Framework on Health and Safety at Work 2021-2027 on 28 June 2021.

In the strategy, the Commission explained that it would present a proposal in Q1 2024 aimed at revising the Carcinogen and Mutagens Directive (CMD) in view of introducing a limit value for cobalt. Although the Communication is not explicit, it is understood that the proposal would make up the 5th update of the CMD and could address 4 other substances, namely welding fumes, polycyclic aromatic hydrocarbons, isoprene, and 1,4-dioxane. The decision on whether or not to include one or several or all of those 4 additional substances in the 5th update to the CMD would also depend on the assessment to be performed by the European Chemicals Agency (ECHA) and on the outcome of a consultation of the social partners under Article 154 of the TFUE.

The Communication also addressed two other issues raised by several MEPs and political groups during the drafting of the EMPL Committee's Report on the proposal, namely reprotoxins and hazardous drugs. On reprotoxins, the Commission explained that it would come forward with a list of priority reprotoxicants other than lead to be addressed under the Chemical Agents Directive (CAD) or the CMD. The list would be finalised by the end of 2021. Besides, the Commission explained that it would provide updated guidelines, including on training, protocols, surveillance, and monitoring, for protecting workers against exposure to hazardous medicinal products by 2022.

#### Next steps

The Rapporteur of the European Parliament's Committee on Employment and Social Affairs (EMPL), MEP Marianne Vind (S&D, Denmark), is expected to finalise the text of the draft motion for a Resolution laying out the EP's

response to the Communication on the 2021-2027 strategic framework on health and safety at work by 4 October 2021. The EMPL Committee is scheduled to discuss it on 25-26 October 2021. The deadline for tabling amendments is expected to be set on 9 November 2021. The amendments would be made available towards 25 November 2021. The Committee is then scheduled to discuss the amendments during its meeting to be held on 1 December 2021. The Shadow Rapporteurs of the EMPL Committee are scheduled to meet in December and January 2022. The names of the Shadow Rapporteurs will be made available in the coming weeks. The Committee is expected to vote on possible compromise amendments and on the draft Motion towards the end of January 2022.

If approved by the EMPL Committee, the Motion for a Resolution will be tabled for a vote in the plenary of the European Parliament in March 2022.

### Key stakeholders

The key unit dealing with this file is DG EMPL's C2 - Health & Safety at Work:

- Charlotte GREVFORS ERNOULT - Head of Unit
- Zinta PODNIECE - Deputy Head of Unit
- Carla TEIXEIRA - Policy Officer – Occupational Safety and Health
- A. J. MORRIS - Policy Officer - Risk management policy team (chemicals at work)
- L. VICENTE - Policy Officer - Risk Management Policy team (chemical issues)

### Background

[Directive 2004/37/EC](#) of the European Parliament and the Council on the protection of workers from the risks related to exposure to carcinogens or mutagens at work (sixth individual Directive within the meaning of Article 16(1) of Council Directive 89/391/EEC) was published in 2004. In February 2020, the Commission confirmed its intention to include the substances acrylonitrile, benzene, and nickel compounds under the fourth amendment of the Carcinogens and Mutagens Directive. This clarification was made following a question for written answer that has been submitted in December 2019 by MEP Cindy Franssen (EPP, BE). The [Commission's response](#), states that it is currently working on the fourth revision of this legal text in order to propose new or revised binding occupational exposure limits for acrylonitrile, benzene and nickel compounds. Moreover, it is indicated that the Commission has initiated scientific assessment on further important hazardous chemicals at the workplace, namely lead, di-isocyanates and asbestos.

On 22 September 2020, the Commission presented the [proposal](#) to amend the Directive on carcinogens and mutagens together with the [Impact Assessment](#). The proposal includes acrylonitrile, benzene, and nickel compounds in the fourth amendment. According to the proposal:

- the limit value for benzene would be brought down to 0.66 mg/m<sup>3</sup> and 0.2 ppm;
- a limit value of 1 mg/m<sup>3</sup> and 0.45 would be set for the acrylonitrile, in addition to a short-term limit value of 4 mg/m<sup>3</sup> and 1.8 ppm. 4 years transition period after entry into force of the proposal will apply to limit values;
- limit values of 0.01 mg/m<sup>3</sup> for the respirable fraction and 0.05 mg/m<sup>3</sup> for the inhalable fraction will be set for the nickel compounds.

In this context, the S&D Group of the European Parliament published a [press release](#) criticising the scope of the proposal. The Group stated that the scope was too limited with regards to the number of substances covered.

There is a link to upcoming Europe's Beating Cancer Action Plan in the proposal, which was published in February 2021. Occupational cancer through this amendment is part of Europe's Beating Cancer Action Plan. In this context, the Commission launched a [public consultation](#) on the proposal, which closed on 20 November 2020.

On 13 April 2021, the European Parliament's Employment and Social Affairs Committee (EMPL) voted to enter into trilogue negotiations with the Council. The European Parliament's plenary then endorsed the mandate for Trilogues.

On 25 March, the EMPL Committee voted in favour of the [14 compromised amendments](#) and on the report, which has been drawn up by the Rapporteur Stefania Zambelli (ID, Italy), in response to the Commission's [proposal](#) (and [Annex](#)). Shadow Rapporteurs on the file are Cindy Franssen (EPP, Belgium), Véronique Trillet-Lenoir (Renew Europe, France), and Sara Matthieu (Greens/EFA, Belgium). Members of the EMPL Committee decided on stricter EU rules to better protect workers. MEPs voted on the occupational exposure limit for acrylonitrile, nickel compounds and on the revised maximum limit for benzene. MEPs also voted to extend the scope of the Directive with the inclusion of reprotoxic substances.

Zambelli's [draft Report](#) proposed twelve amendments to the Commission's proposal. Among other aspects, the rapporteur proposed to introduce a reference to work involving exposure to antineoplastic, immunosuppressant, and antiviral HPMs and their active substances in the list of processes considered to cause the release of carcinogenic substances or mixtures pursuant to Article 2(a)(ii) of the Directive. Moreover, Zambelli called for the introduction of guidelines enabling the exchange of information and best practices between the Member States

and for the establishment of an EU register that includes the definition of HMPs and a regularly updated list of antineoplastic immunosuppressant, and antiviral HMPs and their active substances.

## 2. EU TIMBER REGULATION

### Relevance for marine sector

When considering the products that fall within the scope of the EUTR, it is clear that ICOMIA and its members are affected by the regulation, as timber is an essential element in boatbuilding, being used in multiple areas, from decks, keels or masts to bulkhead sheathing, engine beads or stringers. On a regulatory level, and as describe in the section on next steps below, ICOMIA members should follow the updates related to a potential extension of the product scope.

As shown throughout this chapter, the latest developments in the EUTR show that there have been multiple cases of non-compliant operators, as Member States have stepped up their enforcement efforts. Many stakeholders believe that there is currently a huge disparity between how countries monitor operators placing imported timber on the EU market. Some countries importing significant quantities of high-risk tropical timber are carrying out very few checks on companies. The disparity in the number of checks on companies conducted by different countries creates a loophole whereby companies know they will face minimal or no checks in some countries. Many NGOs believe that the only way to close this loophole is by ensuring adequate enforcement across the EU, including the quality and quantity of checks, and adequate follow-up action.

Following the first waves of EUTR enforcement cases linked to imports from Myanmar, the Ministry of Natural Resources and Environmental Conservation (MONREC) in Myanmar has released statements committing to streamlining their systems. MONREC has been working on developing a comprehensive Timber Legality Assurance System (MTLAS) that will meet international best practice standards. ICOMIA members should therefore exercise caution when importing timber, and carefully carry out due diligence to ensure that the imported timber meets the highest standards and comes from legal sources.

A further longer-term concern, especially with regard to teak, is that the material will eventually run out. Exports for wood systems and sawn timber entering the EU from Myanmar amounted to \$45.1 million in 2015, according to the Milan-based Federlegno Arredo Centre and Conlegno Consortium in Italy. However, this figure could be higher as the figures cited in the report do not include indirect imports from Myanmar.

One of the alternative options is synthetic teak, which is characterised by its greater longevity and low maintenance. Although it has been available for over a decade, recent improvements seem to be winning over new customers. Certain woods (cedar/iroko/certain varieties of oak) are suitable for seafaring, because of their flexibility, durability, and resistance to rot. Notwithstanding, teak is still considered the best-quality timber for boats due to its unrivalled durability, stability, and workability.

### Latest developments

On 11 August, the Commission published a [Report](#) presenting the findings of an external study on certification and verification schemes in the forest sector and for wood-based products.

The Report provides an overview of forest-related certification schemes to illustrate the differences between them and their relation to the EU Timber Regulation (EUTR). It aims to achieve a better understanding particularly for operators within the timber industry and relevant authorities. Following the EUTR, material carrying a certification claim may play a role in the due diligence process but does not exempt operators from conducting risk assessments. This is unlike CITES or FLEGT licensed wood-products, where certified material does not need to meet the due diligence obligations.

The study also identified potential strengths and gaps in certification coverage to address these. Some of the certification schemes and standards included in the study are Bureau veritas's OLB, Sustainable Biomass Program and PEFC International, including national standards from Brazil, Romania, Russia and China. The study found that certification is a key instrument in helping operators meet EUTR obligations for due diligence. It provides assessment and assurance of legality and prevents fraud. The chain of custody system on certified material claims allows controlling the flow of material through the supply chain.

However, the study also identified a number of gaps. Firstly, while certification schemes generally require materials to be harvested and traded according to relevant legislation, these standards are not always sufficiently comprehensive and complete to meet EUTR requirements. Secondly, the chain of custody system tracks the transferral of claims through the supply chain but cannot systematically verify transactions of volumes, species, and qualities between entities, potentially allowing for fraud. The study shows that there are significant differences between certification schemes in their coverage, operation, and legal security against fraud. The certification schemes were assessed according to a Scheme Assessment Framework, which considers performance-based information to evaluate the schemes on not only normative standards but also on effectiveness in face of corruption. In this context, the study found that fraud remains a key risk for timber supply chains as systems in place to identify corruption are generally limited and insufficient. Systems currently also do not sufficiently enable auditors to detect fraud in the supply chain, which should be improved.

In conclusion, no certification scheme can provide complete control of supply chains, but their legal safeguards give assurance to operators and help them to meet EUTR requirements. Operators are hence called on to use them but to also use this assessment to identify gaps. The Report is unlikely to feed into the Fitness Check, to be published in the coming weeks, but could provide relevant information regarding the relation between the EUTR and certification schemes.

### Next steps

The Commission will decide whether to review the EUTR and FLEGT Regulations based on the report.

### Key Stakeholders

The relevant staff in the Commission pertains to DG ENVI – Unit F3 Global Sustainable Development - Multilateral Environmental Cooperation:

- Hugo-Maria SCHALLY - Head of Unit
- J. RODRIGUEZ ROMERO - Deputy Head of Unit
- A. ZERVA - Policy Officer - International Forest Policy
- D. PARDO LOPEZ - Policy Officer - International Forestry Policy and Multilateral Environmental Agreements
- B. GRLAŠ - Team Leader - International Forest Policy
- D. TORRES - International Relations Officer - International Forest Policy

### EU Biodiversity Strategy

On 20 July 2021, DG ENV confirmed that the adoption and publication of the Evaluation Report of the EU Biodiversity Strategy to 2020 is expected to be published in October 2021. The results of the online questionnaire are expected to be made available in the coming weeks.

In another development, MEP Beata Kempa (ECR, Poland) submitted a priority question for a written answer to the Commission on 3 June 2021 on the results of the public consultation that would feed into three Commission initiatives related to biodiversity. The MEP asked how many people took part in the consultation, how many research centres took part, how many anonymous opinions were there, whether the Commission intended to repeat the consultations and when the report on the results would be published.

Commissioner Virginijus Sinkevičius answered on 19 July 2021 that the publication on the questionnaire received 111 842 responses, of which 104 471 were mobilised by the NGO #RestoreNature. Of the remaining 7 371 responses, 6621 came from Poland. In total, 99% of respondents indicated to remain anonymous. Moreover, 74 academic and research institutions filled in the questionnaire. The Commissioner further revealed that the results of the consultation will be published in the coming weeks and mentioned that all submitted responses complied with the applicable rules and, therefore, the consultation would not be repeated.

On 26 May 2021, the Committee on the Environment, Public Health and Food Safety (ENVI) will vote on the [Draft Report on the EU Biodiversity Strategy](#). Once the Committee adopted its Report, the European Parliament will endorse the Report during the upcoming plenary session on 23 June.

On 4 March, the Committee on Agriculture and Rural Development adopted its [Draft Opinion](#) on the EU Biodiversity Strategy. The

Committee mentioned the strong coherence with the Farm to Fork Strategy and a need for a holistic approach.

On 11 December 2020, the ENVI Committee published the Draft Report. The rapporteur César Luena (S&D, Spain) expressed support for the targets of protecting at least 30 % of the Union's marine and terrestrial areas and of strictly protecting at least 10 % of these areas. He called for the inclusion in the Nature Restoration Plan of specific binding targets for the protection and restoration of forest ecosystems.

On 20 May 2020, the Commission adopted the new [EU Biodiversity Strategy](#). The Commission has earmarked €20 billion a year for spending on nature. In the Strategy, the Commission stated that only 3% of land and less than 1% of marine areas are strictly protected in the EU today. That is why the Commission proposed to legally protect at least 30% of the EU land area and 30% of the EU sea area and integrate ecological corridors. Furthermore, the Commission proposed to strictly protect at least 1/3 of the EU protected areas (10% of EU land and 10% of EU sea).

The Commission called for achieving the good environmental status of marine ecosystems, including the restoration of carbon-rich ecosystems like coastal and maritime environments. In the Strategy's [Annex](#), the Commission committed to developing a new action plan to conserve fisheries resources and protect marine ecosystems by 2021. The Commission also recognised that it is crucial to maintain or reduce fishing mortality to or under Maximum Sustainable Yield levels and to eliminate, or significantly reduce, the by-catch of species.

In this context, the Commission stated a need to restore freshwater ecosystems and the natural functions of rivers to achieve the objectives of the Water Framework Directive (WFD). To achieve this objective, the Commission proposed to restore at least 25,000 km of rivers into free-flowing rivers by 2030. The authorities of the Member States should review their water abstraction and impoundment permits to restore ecological flows to achieve the good status of all surface waters and good status of all groundwater by 2027 at the latest.

### EU Forest Strategy

The [New EU Forest Strategy](#) was presented on 16 July 2021. It acknowledges forests' essential role for the health of humans and the role in the EU economy and society, as well as the key role of forests for achieving a sustainable and climate-neutral economy by 2050. In particular, the new Strategy will contribute to the achievement of the EU greenhouse gas (GHG) emissions reduction target of at least 55% by 2030 as provided in the European Climate Law.

The Strategy also outlines the policy framework to deliver growing, healthy, diverse and resilient EU forests contributing to the achievement

of the EU biodiversity ambition and secure livelihoods in rural areas. It also aims to support a sustainable forest bioeconomy relying mostly on sustainable forest management practices, in coordination with all relevant actors.

It plans to overcome the challenges caused by the forest being under increasing strain due to natural processes and human pressures. Its objectives are to strengthen forest protection and restoration, enhance sustainable forest management, improve the monitoring and effective decentralised planning on forests and enable them to deliver on their multifunctional role.

The Strategy will be reviewed by 2025 to assess its progress and whether further action is required.

On 19 April 2021, the [12-weeks public consultation](#) on the EU Forest Strategy closed. The Commission welcomed feedback from a wide range of stakeholders. The feedback received can be viewed [here](#). The EU Forest Strategy will build on the EU Biodiversity Strategy and cover the whole forest cycle. The Strategy aims to ensure healthy, resilient forests that contribute to biodiversity and climate change and support the circular economy.

The Commission planned to present the Strategy in Q1 2021. Because of the delay in the launch of the public consultation, the presentation of the Strategy was previously expected in Q2 2021.

On 7 October 2020, the European Parliament adopted a [Resolution on the European Forest Strategy – The Way Forward](#). The Resolution stressed the Commission to foster the implementation and coherent and systematic interpretation of the EU Timber Regulation.

### **Farm to Fork Strategy**

The adoption of the European Parliament's Resolution on the Farm to Fork Strategy has been delayed until mid-October 2021. MEPs are now provisionally expected to vote on the amended draft Report during the plenary session to be held over 18 -21 October 2021.

The European Parliament was provisionally expected to adopt its Resolution in plenary on 4 October 2021. However, according to the latest work-in-progress list of the EP Committee on the Environment, Public Health and Food Safety (ENVI), the final vote on the Committee Report has been postponed.

On 14 April 2021, the Committee on the Internal Market and Consumer Protection adopted its [Draft Opinion](#). The Committee suggested the protection of consumers and some clarification on the current food legislation.

On 18 March, the Committee on International Trade (INTA) published its [Opinion](#). The Opinion called on the Commission to carry out an impact assessment of the F2F targets and to present appropriate measures to ensure sectoral competitiveness and reciprocity of standards.

On 22 December 2020, the Committee on the Environment, Public Health and Food Safety (ENVI) and the Committee on Agriculture and Rural Development (AGRI) published their [Draft Report on a Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system](#). The Draft Report welcomed the sustainable use of pesticides and the reduction targets for pesticides, fertilisers, and antibiotics. It stressed that the targets should be translated into legislation and calls on the Commission to explain how each Member State will contribute to their achievement.

On 15 October 2020, the Council made available its [Conclusion on the Farm to Fork Strategy](#). The Council welcomed the proposed initiative from the Commission. It only took note of the reduction targets for pesticides, antimicrobials, and fertilisers as well as the other targets set out in the Strategy. In this respect, the Council urges the Commission to base its legislative proposals on thorough and scientifically sound impact assessments describing how these targets are calculated.

On 20 May, the Commission published the [Farm to Fork Strategy](#) as part of the European Green Deal.

## Background

[Regulation \(EU\) No 995/2010 of the European Parliament and of the Council of 20 October 2010](#) lays down the obligations of operators who place [timber products](#) (listed in its Annex using EU Customs code nomenclature) on the market. Also known as the EU Timber Regulation or EUTR, it entered into force in 2013 and combats trade in illegally harvested timber and timber products through three key obligations:

- it prohibits the placing on the EU market of illegally harvested timber and products derived from such timber;
- it requires EU traders who place timber products on the EU market for the first time to exercise '[due diligence](#)';
- keep records of their suppliers and customers.

The core of the 'due diligence' system is that operators undertake a risk management exercise to minimise the risk of placing illegally harvested timber, or timber products containing illegally harvested timber being placed on the EU market. The three key elements of the "due diligence system" are:

- **Information:** The operator must have access to information describing the timber and timber products, country of harvest, species, quantity, details of the supplier and information on compliance with national legislation.

- **Risk assessment:** The operator should assess the risk of illegal timber in its supply chain, based on the information identified above and considering criteria set out in the regulation.
- **Risk mitigation:** When the assessment shows that there is a risk of illegal timber in the supply chain, that risk can be mitigated by requiring additional information and verification from the supplier.

The Regulation covers a broad range of timber products, including solid wood products, flooring, plywood, pulp, and paper. Recycled products are not included, nor are printed papers such as books, magazines, and newspapers. The product definition can be amended if necessary. The Regulation applies to both imported and domestically produced timber and timber products. Timber and timber products covered by valid [FLEGT](#) or [CITES](#) licenses are considered to comply with the requirements of the Regulation.

The Commission's 12-week public consultation on the product scope of the EU Timber Regulation, which closed on 24 April 2018, aimed to collect views on possible changes to the product scope of the EUTR. The consultation was structured around the main question whether the current product scope of the EU Timber Regulation should be amended or not, and if yes, to what extent. The consultation was part of an impact assessment which aimed to analyse the possible changes to the EU Timber Regulation and to support the drafting of the Commission's possible delegated act.

The Commission is currently analysing possible changes to the EU Timber Regulation product scope. The three different options that are being considered at the moment by the Commission are the following:

- No change in the product scope;
- Change by adding some products that contain timber;
  - Inclusion of charcoal, tools, and furniture,
  - Inclusion of charcoal, tools, and furniture, plus boats and musical instruments,
- Inclusion of charcoal, tools and furniture, boats and musical instruments, plus printed material.
- Change by including all products that contain timber.

#### Expert Group on EU TR

The main task of the European Commission Expert Group on the EUTR and FLEGT Regulation is:

- Ensuring cooperation between Member States competent authorities and with the Commission in order to ensure compliance with EUTR (in the spirit of article 12 of the EUTR),
- Assisting the Commission in ensuring uniform implementation of the EUTR and FLEGT,

- Exchanging information on shortcomings detected through the checks referred to in articles 8(4) and 10(1) of the EUTR and on the types of penalties imposed in accordance with article 19 of the EUTR between the competent authorities and with the Commission,
- Identifying best practices and share lessons learned.

### 3. WASTE FRAMEWORK DIRECTIVE - DIRECTIVE 2008/98/EC

#### Latest developments

Since 14 September, data from the EU's first public database of substances of very high concern in products, SCIP, can be accessed. Prior to this date, around 6000 companies across the EU have complied with their new duty to notify ECHA about products containing substances of very high concern, SVHCs. The SCIP database now displays more than four million article notifications. Based on the information submitted so far, the most commonly notified product categories in the database are:

- machinery and their parts;
- measuring instruments and their parts;
- electronic equipment and their parts;
- vehicles and their parts;
- articles made of rubber;
- furniture.

The most common substances of very high concern in notifications are:

- lead (e.g., in ball bearings, batteries);
- lead monoxide (e.g., in lamps, vehicles parts);
- lead titanium trioxide (e.g., in electric cookers);
- silicid acid, lead salt (e.g., in lead crystalware, vehicle coatings);
- 1,6,7,8,9,14,15,16,17,17,18,18-Dodecachloropentacyclo [12.2.1.16,9.02,13.05,10]octadeca-7,15- diene, more commonly referred to as "Dechlorane Plus™" (e.g. in paints, glues).

#### Next steps

The Commission will present a report reviewing the 2035 waste reduction targets by the end of 2028.

In addition, the Commission will present a Report on the exercise of the power to adopt delegated acts under the Waste Framework Directive by October 2022. Similarly, the Commission will present a Report on the feasibility of adopting measures for the treatment of waste oils by the end of 2022.

The Commission is expected to present a Report on the feasibility of setting preparing for re-use and recycling targets on certain waste streams by 2024. Moreover, the Commission will present a Report reviewing EU waste prevention measures by 2024.

#### Key stakeholders

The relevant staff in the Commission is part of DG ENVI - Unit B2 Circular Economy and Green Growth - Sustainable Chemicals:

- Cristina DE AVILA - Head of Unit
- B. BERGER - Deputy Head of Unit
- F. PEDERSEN - Policy Officer - Chemicals in particular relating to the implementation of the European Green Deal commitments pertaining chemicals legislation

## Background

**Directive 2008/98/EC** on waste sets out rules on:

- environmental standards for recycled waste to be reused as secondary raw material;
- material-specific long-term recycling targets;
- the meaning of recovery and disposal operations;
- clarifies when waste becomes a product or non-waste ("end-of-waste");
- a 5-tier "waste hierarchy" for the prioritisation of waste prevention and management (in order of highest to lowest priority): (a) Prevention, (b) Preparing for re-use, (c) Recycling, (d) Other recovery, e.g., energy recovery, (e) Disposal.

It allows Member States to ensure that any natural and legal person who professionally develops, manufactures, processes, treats, sells, or imports products has extended producer responsibility.

Directive 2018/851 revised the above-described act and entered into force on 4 July 2018. Member States had until 5 July 2020 to transpose the directive into national legislation. Overall, the directive defines municipal waste, non-hazardous waste, construction and demolition waste, material recovery, backfilling, extended producer responsibility scheme and food waste. It sets new waste recycling targets to be achieved by Member States by 2025, 2030 and 2035.

Specifically with regard to marine litter, Member States are required to stop the generation of marine litter as a contribution to the UN Sustainable Development Goals of preventing and significantly reducing marine pollution of all kinds. In this context, Member States are required to identify the products that are the main sources of littering, notably in the natural and marine environment, and to take appropriate measures to prevent and reduce litter from such products.

## Substances of Concern in articles as such or in complex objects (Products) (SCIP) database

On 1 February 2021, Angelika Winzing (EPP, Germany) submitted a [written question](#) to the Commission on the SCIP database. She asked how the Commission ensures that the data collected will effectively improve the recycling process in the EU. To this, Commissioner for Environment Virginijus Sinkevičius [answered](#) that the database of substances of concern in articles (SCIP) gives consumers and waste operators access to data on substances of very high concern (SVHCs) contained in specific products and product families in plastic.

Commissioner Sinkevičius clarified that the costs of the database for authorities and companies were not included in the Commission's impact assessment. REACH Regulation obliges industry to communicate information on the presence of SVHCs in articles in their supply chain since 2007. The

Commissioner highlighted that companies had submitted over 4.5 million notifications ahead of the legal obligation, and over 10.2 million notifications have been received by 19 March 2021. To ensure the practicability of SCIP as well as its affordability for SMEs, the ECHA engaged with stakeholders to develop a mechanism to reduce the notification burden on duty holders.

[From 26 March](#), ECHA does not process SCIP notification dossiers containing more than 1,000 components in order to allow safe use of the articles that have been notified.

### Chemical Strategy for Sustainability

On 15 March 2021, the Council adopted its [Conclusion](#) on the [Chemical Strategy for Sustainability Towards a Toxic-Free Environment](#). The Council supported the substitution and minimisation of substances of concerns and the phasing out of the most harmful chemicals for non-essential societal uses. Member States welcomed the 'one Substance, one Assessment' approach and called on the Commission to provide more details on the implementation. The Council expressed its support for phasing out of per- and polyfluoralkly substances (PFAS) and suggested the application of the same limit value for substances and for virgin and recycled materials. The Council also strongly supported the revision of the REACH Regulation, accompanied by a comprehensive impact assessment.

On 14 October 2020, the Commission published the [Chemical Strategy for Sustainability Towards a Toxic-Free Environment](#). The Strategy intends to improve the protection of citizens and the environment and to boost innovation for safe and sustainable chemicals. The Strategy is complementary to the Industrial Strategy, the Recovery Plan, the Circular Economy Action Plan and the European Green Deal and initiatives such as the batteries initiatives. The revision of REACH will be conducted on the basis of public consultations and subject to impact assessments, including an analysis of whether innovation is fostered or hindered. Among other actions, the Commission intends to:

- Extend the duty of registration under REACH to certain polymers of concern,
- Assess how information requirements under REACH on the overall environmental footprint of chemicals can be introduced,
- Assess how to introduce a mixture assessment factor for the chemical safety assessment of substances under REACH,
- Propose new hazard classes and criteria in the CLP Regulation to fully address environmental toxicity, persistency, mobility, and bioaccumulation,
- Establish legally binding hazard identification of endocrine disruptors, based on the definition of the WHO, building on criteria already developed for pesticides and biocides, and apply it across all legislation,

- Ensure that endocrine disruptors are banned in consumer products as soon as they are identified,
- Strengthen workers' protection by introducing endocrine disruptors as a category of substances of very high concern under REACH,
- Ramp up its efforts to ensure a zero-tolerance for non-compliance,
- Set up an expert working group from the Member States, Commission services and EU Agencies to discuss initiatives on risk assessment across chemical legislation,
- Introduce 'One substance - one assessment' ensuring that the initiation and priority setting of the safety assessments are done in a coordinated, transparent and to extent possible synchronised manner,
- Introduce endocrine disruptors, persistent, mobile, and toxic and very persistent and very mobile substances as categories of substances of very high concern,
- Tackle the use of per- and polyfluoroalkyl substances (PFAS) aiming at a phasing-them out in the EU.

An overview of the actions to be taken by the Commission over the next months and years can be found [here](#).

#### 4. TRADE ISSUES (INCLUDING AGREEMENT WITH AUSTRALIA, NEW ZEALAND, BREXIT, JAPAN, SINGAPORE, VIETNAM, MERCOSUR, AND USA)

##### European Commission

On 18 February 2021, the Commission presented its [Communication on Trade Policy Review - An Open, Sustainable and Assertive Trade Policy](#). The strategy aims to strengthen the capacity of trade to support the digital and climate transitions. First, by contributing to achieve the European Green Deal objectives. Second, by removing unjustified trade barriers in the digital economy to reap the benefits of digital technologies in trade. By reinforcing its alliances together with a stronger focus on neighbouring countries and Africa, the EU will be better able to shape global change.

Responding to current challenges, the strategy prioritises a major reform of the World Trade Organization, including global commitments on trade and climate, new rules for digital trade, reinforced rules to tackle competitive distortions, and restoring its system for binding dispute settlement.

The Communication has sent to the Council and the European Parliament. The Council was unable to reach the necessary consensus to adopt the Council Conclusions on the EU's Trade Policy Review and the Slovenian Presidency will continue working on a compromise text in the coming weeks.

##### New Zealand Status: Negotiations ongoing

- On 22 May 2018, the Council of the European Union adopted the decision authorizing the opening of negotiations for a trade agreement.
- The first round of negotiations was held from 16 to 20 July 2018 in Brussels.
- The [second round](#) of negotiations was held from 8 to 12 October in New Zealand.
- The European Parliament's Research Service published a [briefing](#) on the negotiations with Australia and New Zealand.
- The third round of negotiations was held from 18 to 22 February 2019.
- The [fourth round](#) of negotiations was held between 13 and 17 May.
- The [fifth round](#) of negotiations was held between 8 and 12 July.
- The [sixth negotiating](#) round took place between 9 and 13 December.
- The [seventh negotiating round](#) took place virtually between 30 March and 9 April 2020.
- The [eighth negotiating round](#) was held between 8 and 19 June.
- The [ninth round](#) of negotiations was held between 23 November and 1 December 2020.
- The tenth round of negotiations was held from 22 to 30 March 2021.
- The eleventh round of negotiations was held from 28 June to 8 July.
- Negotiators will meet again for round twelve, but the dates are not yet confirmed.

## Japan

### Status: Concluded

- At the EU-Japan Summit on 6 July 2017, the EU and Japan reached an agreement on the main elements of an Economic Partnership Agreement. The Agreement was finalised on 8 December 2017.
- The EPA removes the vast majority of duties paid by EU companies, which sum up to €1 billion annually, opens the Japanese market to key EU agricultural exports and increases opportunities in a range of sectors. It sets the highest standards of labour, safety, environmental and consumer protection, data protection, fully safeguards public services and has a dedicated chapter on sustainable development. For the first time, an agreement includes a specific commitment to the Paris Agreement.
- The EPA came [into force on 1st of February 2019](#).
- On 1 February 2021, the [second anniversary](#) of the EU-Japan EPA was marked.

## Singapore

### Status: Concluded

- The EU-Singapore Trade Agreement addresses trade liberalisation and foreign direct investment (FDI). It is a 'new generation' trade agreement with an ambitious, comprehensive scope.
- It covers areas such as tariff liberalisation, reduction of non-tariff trade barriers and promotion of services and investment. Other trade-related issues include, for example, stronger protection for certain geographical indications (GIs), based on a register of GIs. The agreement also provides improved access to government procurement opportunities.
- This trade agreement, as it was separated from the investment protection agreement, includes only provisions under the exclusive competence of the EU and can be concluded by the EU on its own.
- On 28 October, EU (EC and Council) and Singapore signed the EU-Singapore Trade Agreement, the EU-Singapore Investment Protection Agreement and the Framework Agreement on Partnership and Cooperation.
- The trade agreement entered into force before the end of the mandate of the previous European Commission in 2019, while the investment protection agreement followed ratification procedures at Member States level. The Partnership and Cooperation Agreement needed to be ratified by EU Member States and submitted to the European Parliament before it entered formally into force.
- The draft trade and investment agreements were signed on 19 October 2018 and received the consent of the European Parliament on 13 February 2019 ([press release](#)).
- The EU-Singapore Free Trade Agreement entered into force on 21 November 2019.

## Vietnam

### Status: Concluded

- On 2 December 2015, the negotiations for an EU-Vietnam FTA were concluded.
- On 1 February 2016, the [preliminary text](#) of the Agreement was published on DG Trade's website together with a Commission Staff Working Document on Human Rights and Sustainable Development in the EU-Vietnam relations with regard to the EU-Vietnam Free Trade Agreement.
- Following the Opinion 2/15 of the European Court of Justice on 16 May 2017 on the Singapore FTA, the Agreement with Vietnam was split into a Free Trade Agreement (FTA) and an Investment Protection Agreement (IPA).
- On 19 October 2018, a voluntary partnership agreement (VPA) between the European Union and the Socialist Republic of Vietnam on forest law enforcement, governance, and trade (FLEGT) was signed in Brussels in the margins of the EU-ASEM summit.
- On 11 December, Trade attachés from EU Member States, have reached an agreement "at technical level" to ratify the EU-Vietnam trade deal.
- On 30 June 2019, the EU and Vietnam signed a Trade [Agreement](#) and an Investment Protection Agreement.
- During a session of the European Parliament's Committee on International Trade on 3 December 2019, the committee held a debate on the conclusion of the EU-Vietnam Trade Agreement. MEPs are divided on whether to support the agreement due to concerns in the context of labour and human rights.
- The European Parliament approved the conclusion of the Free Trade Agreement with Vietnam on 12 February 2020.
- On 30 March, the Council adopted its decision to approve the FTA.
- On 8 June, Vietnam has ratified the agreement.
- On 12 June, the Council decision on the conclusion of the FTA was published in the EU's Official Journal.
- [The Free Trade Agreement with Vietnam entered into force on 1 August 2020. A guide to the EU-Vietnam Trade and Investment Agreements can be accessed \[here\]\(#\).](#)

#### **MERCOSUR**      **Status: Ratification pending**

- On 28 June 2019, the EU and Mercosur, consisting of Argentina, Brazil, Paraguay, and Uruguay, reached a political agreement for a comprehensive trade agreement. The new trade framework is part of a wider Association Agreement between the two regions and covers a population of 780 million. It will benefit EU companies by reducing or eliminating tariffs worth €4 billion.
- The [agreement](#) removes the majority of tariffs on EU exports to Mercosur such as on cars that were previously levied with a tariff of 35%, as well as car parts on which duties of up to 18% were levied before the conclusion of the trade framework. Starting with negotiations in 1995, the agreement will be subject to a legal revision after which the final version of the Association Agreement including all trade aspects is drawn up.
- On 18 November 2019, the AGRI Committee held a hearing on the potential impact of the EU-Mercosur trade agreement.

- On 6 February 2020, the Walloon Parliament has unanimously adopted a motion expressing its opposition to the trade agreement. In order to proceed, the Council would have to vote in favour of the conclusion of the trade agreement.
- On 2 June, the Dutch House of Representatives adopted a Motion on the EU Mercosur trade agreement.
- On 14 July, the government of the Belgian capital region Brussels stated that the agreement was unacceptable in its current form. This position was endorsed by a Parliamentary commission on 10 October 2020.
- On 25 September, Luxembourg's Minister for Agriculture Romain Schneider and Minister for Foreign Affairs Jean Asselborn issued a joint response to a parliamentary question on the EU Mercosur Agreement. They stated that Luxembourg would not be able to support the signing of the agreement without additional commitments to combat climate change.
- On 29 September 2020, the Irish Deputy Prime Minister Leo Varadkar stated that Ireland would not ratify the EU-Mercosur trade deal unless new enforceable environmental guarantees were added.
- On 24 March 2021 the European Commission position paper regarding the final report of the Sustainability Impact Assessment in support of the Association Agreement negotiations between the European Union and Mercosur was published.
- As the EU and Mercosur found an agreement in principle, the procedure for the conclusion of the Agreement could take up to three years. The Commission plans to sign the final Agreement in 2022.
- If the Agreement will be signed remains to be seen. Some Member States still oppose the signature. At the IUCN World Conservation Congress on 3 September, President Macron confirmed that France will maintain its opposition to the EU-Mercosur trade agreement during its upcoming Presidency of the Council of the EU in the first half of 2022.

## USA

### Status: Dispute settlement pending

- On 30 September 2020, the Commission launched a [Consultation](#) on the elimination of customs duties on certain products between the US and the EU. However, the proposal only suggests removing tariffs on lobster and lobster products. The feedback period closed on 25 November 2020.
- On 7 January 2021, the US Trade Representative announced the suspension of additional tariffs against certain imports of French products to the US, the EU is not expected to adopt rebalancing measures until further notice. On 7 January 2021, the US Trade Representative (USTR) announced his decision to suspend the tariff action in the Section 301 investigation of France's DST. US tariffs on French products were expected to apply from 6 January 2021.
- [On 5 March 2021](#), the EU and the US agreed to suspend all tariffs on EU and U.S. exports imposed in the Airbus and Boeing disputes for a four-month period. The suspension allows both sides to focus on resolving this long-running dispute. It provides an important boost to EU

exporters, since the U.S. had been authorised to raise tariffs on \$7.5 billion of EU exports to the U.S. Similarly, EU tariffs will be suspended on some \$4 billion worth of U.S. exports into the EU.

- To find a solution to the EU-US steel and aluminium dispute, the US has sent to the EU an offer involving a tariff-rate-quota system for steel imports, which were discussed on 10 September. The US proposed a tariff-rate-quota system for steel imports. It is understood that the offer did not include imports of aluminium.
- The EU and the US have agreed to engage in a dialogue through the EU-US Trade and Technology Council with a view to finding a solution to the steel and aluminium disputes by the end of 2021. The first EU-US Ministerial Trade and Technology Council is scheduled for 29-30 September 2021.
- The Panel is expected to issue its Report to the parties setting out its findings on whether US tariffs are in breach of WTO rules no earlier than the second half of 2021. Then, the Report would be translated and circulated to WTO members. This is not expected to be done before 2022.

## Brexit

### Status: Concluded

Following the UK's withdrawal from the EU, the EU-UK Trade and Cooperation Agreement governing the rules of the future EU-UK relationship entered into force on 1 May 2021. As such, the Agreement is now fully applicable as of 1 May.

The EU-UK TCA sets out preferential arrangements in areas such as trade in goods and in services, digital trade, intellectual property, public procurement, aviation and road transport, energy, fisheries, social security coordination, law enforcement and judicial cooperation in criminal matters, thematic cooperation, and participation in Union programmes.

In the context of the negotiations on the Multiannual Financial Framework 2021-2027, the European Council agreed to allocate €5 billion (in constant 2018 prices) to a new Special Brexit Adjustment Reserve, which was proposed by the Commission on 25 December 2020.

The Reserve would be part of the MFF's Special Instruments 2021-2027 and would aim to counter unforeseen and adverse consequences in Member States and sectors that are most affected by the withdrawal of the United Kingdom from the European Union. Such an instrument would be crucial in helping EU countries, regions and industries deal with disruptions that are expected from 2021.

When it comes to the Brexit Adjustment Reserve (BAR), a plenary debate was scheduled for 14 September 2021 and MEPs adopted the text on 15 September 2021. In parallel, the Council is expected to vote on the adoption of the proposed Brexit Adjustment Reserve (BAR) in late September. The Competitiveness (Internal Market, Industry, Research and Space) Council is scheduled to meet on 28 and 29 September 2021.