

quarterly EU report

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



September 2022

Executive Summary

This Quarterly Report highlights the progress on several EU legislative initiatives and ongoing legislative work of relevance to ICOMIA members. On some topics, the legislative developments may require increased attention and monitoring over the coming months, while other topics might be less active.

Section 1 of this report addresses environmental legislation and initiatives, with a particular focus on improving the carbon output and emissions performance of marine stakeholders, but also on the marine environment and its biodiversity. With regard to emissions, the European Parliament and the Council are examining the Industrial Emissions Directive revision and are negotiating the Emissions Trading System revision. The Commission is working internally on files such as the Water Framework Directive or the Biocidal Products Regulation, among others.

Section 2 of the report covers additional EU policies of cross-sectoral interest, such as carcinogens and mutagens at work or deforestation. The section also focuses on the state of the EU's international trade relations with several key trade partners around the world.

Table of Contents

Executive Summary	1
Latest updates	2
Upcoming public consultations	5
SECTION I – Environmental Legislation and Initiatives	6
1. Ship Recycling Regulation (SRR)	6
2. Biocidal Products Regulation (EU) No 528/2012	12
3. Directive on Port Reception Facilities for ship-generated waste (PRF) and Port Services Regulation	15
4. Industrial Emissions Directive	17
5. Marine Strategy Framework Directive	20
6. Water Framework Directive, Groundwater Directive and Bathing Water Directive	25
7. EU Emissions Trading System	31
8. Regulation on Monitoring, Reporting and Verification of CO2 emissions from maritime transport (MRV)	34
SECTION II – Other Relevant EU Policies	36
1. Directive on the protection of workers from the risks of carcinogens and mutagens at work (CMD)	36
2. EU Timber Regulation	41
3. Waste Framework Directive	48
4. Trade issues (including agreements with Australia, New Zealand, Japan, Singapore, Vietnam, MERCOSUR and the USA, and Brexit)	50

Latest updates

On 14 September, the President of the European Commission Ursula von der Leyen gave the annual [State of the Union](#) speech during the European Parliament's [plenary session](#). Although the speech was dominated by topics such as the war in Ukraine and the energy crisis, some new initiatives which can be relevant for the maritime sector were announced, namely that the Commission will make a legislative proposal for a Critical Raw Materials Act (CRMA) in 2023.

This new CRMA seems to be especially conceived for securing raw materials for the manufacturing of batteries and EV batteries in particular. Internal Market Commissioner Thierry Breton further elaborated on this announcement in a LinkedIn publication. In his post, Mr. Breton states the 'green and digital transition will live or die through the functioning of our supply chains' and that we are 'experiencing a global race for the supply and recycling of critical raw materials'. Furthermore, in his post Mr. Breton stated the legislative proposal will help secure the supply of critical raw materials in Europe by;

1. Focusing on strategic applications; The CRMA will establish which raw materials can be considered as strategic in terms of importance in the green and digital transitions.
2. Creating a network of European Agencies; Create a network with existing national raw materials agencies and give these monitoring and stress test competences.
3. Building a more resilient supply chain; Designate strategic projects and attract more investment in mining, refining, processing and recycling.
4. Create a strong and sustainable playing field; Rationalising and consolidating certification schemes and standards from mining as well as promoting strategic storage.

Additionally, the Commission announced the creation of a new Hydrogen Bank to prioritize funding of hydrogen-related projects, as well as other energy-related measures. Moreover, the Commission confirmed the revision of the waste framework to reduce waste and the environmental impact of waste management.

The evaluation of the Ship Recycling Regulation is ongoing, with a public consultation expected for Q4 2022. In the context of the Biocidal Products Regulation, the Commission postponed the expiry date of the approval of medetomidine for use in antifouling products.

With regard to the revision of the Industrial Emissions Directive, the Commission presented the proposal in the European Parliament's ENVI Committee in July, which was followed by a discussion with MEPs. Amendments will be proposed in Q4 2022.

Work is ongoing on the upcoming Commission proposal on the list of surface and groundwater pollutants, which is expected to be issued in October, as well as on the review of the Bathing Water Directive.

The work is concluded on the revision of the EU Emissions Trading System in the European Parliament and in the Council. Before the summer break, the [Council](#) and the [European](#)

[Parliament](#) agreed on their respective positions for the trilogue negotiations. The first round of trilogue took place on 11 July, where only technical details and no content were discussed. The second round of trilogue are expected to take place in October.

In relation to the MRV Regulation, the Commission adopted the third annual report on CO2 emissions from maritime transport. Regarding the Carcinogens and Mutagens at Work Directive, the Commission confirmed that the next update to occupational exposure limits will affect only lead, while several other substances will be included in a subsequent update.

The co-legislators have agreed their respective position for the trilogue negotiations on the Regulation on Deforestation and Forest Degradation, and the first round of negotiations took place on 27 September. With regard to the Waste Framework Directive, a revision proposal is expected for the second quarter of 2023.

In May 2022, the Commission launched a 12-week public consultation on the revision of the Waste Framework Directive, to gather views from stakeholders to help the Commission draft the proposal, which is expected for the second quarter of 2023.

The **EU's trade negotiations** with New Zealand concluded on 30 June 2022. The text need to be adopted by the Council, after which the EU and New Zealand will sign it. Following the signature, the text will be sent to the European Parliament. Once the European Parliament has given its consent, and once the agreement has been ratified by New Zealand, it can then enter into force.

The Commission published the [Recreational Craft Directive Report](#) on Emissions and Design Categories (based on Article 52) on 28 July 2022. The conclusion of the report are:

- 80% of recreational craft currently in service are not covered by the exhaust emissions limits introduced by the RCD. Therefore, the real-world exhaust emissions from recreational craft will fall as the fleet is gradually replaced and equipped with modern, clean engines, including an increasing share of zero-emission technologies. The Commission will monitor technological and market developments to reduce exhaust and greenhouse gas emissions.
- Evaporative emissions from recreational craft are not currently regulated under the RCD. The Commission will consider introducing evaporative emission limits as part of a future revision of the RCD.
- In a future revision of the RCD, the Commission may consider explicit stating upper limits for design category A and including explanations of the terms 'wind force', 'gust wind force' and 'significant wave height' in the Explanatory Notes of Annex I.A.

Upcoming public consultations

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

- [EU Ship Recycling Regulation – evaluation](#)
- [Waste from electrical and electronic equipment – evaluating the EU rules](#)
- [Maritime Accident Investigation](#)
- [European standardisation – evaluation](#)
- [Polluter Pays Principle – fitness check of its application to the environment](#)

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 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 turned 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 or electronic circuit boards. In this way, ship recycling contributes to 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

Hazardous Material	Definitions	Control measures
Asbestos	Materials containing asbestos	For all ships, new installation of materials which contain asbestos shall be prohibited.

<p>Ozone-depleting substances</p>	<p>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.</p> <p>Ozone-depleting substances that may be found on board ships include, but are not limited to:</p> <p>Halon 1211 Bromochlorodifluoromethane</p> <p>Halon 1301 Bromotrifluoromethane</p> <p>Halon 2402 1,2-Dibromo-1,1,2,2-tetrafluoroethane (also known as Halon 114B2)</p> <p>CFC-11 Trichlorofluoromethane</p> <p>CFC-12 Dichlorodifluoromethane</p> <p>CFC-113 1,1,2-Trichloro-1,2,2-trifluoroethane</p> <p>CFC-114 1,2-Dichloro-1,1,2,2-tetrafluoroethane</p> <p>CFC-115 Chloropentafluoroethane</p> <p>HCFC-22</p> <p>Chlorodifluoromethane</p>	<p>New installations which contain ozone-depleting substances shall be prohibited on all ships.</p>
<p>Polychlorinated biphenyls (PCB)</p>	<p>'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</p>	<p>For all ships, new installation of materials which contain Polychlorinated biphenyls shall be prohibited.</p>
<p>Perfluorooctane sulfonic acid (PFOS)</p>	<p>'perfluorooctane sulfonic acid' (PFOS) means perfluorooctane sulfonic acid and its derivatives</p>	<p>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.</p>

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.	<p>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.</p> <p>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.</p>
------------------------------------	--	---

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 4-week call for feedback consultation launched by the Commission as part of the evaluation of the Ship Recycling Regulation, which closed on 30 June, received 16 comments from stakeholders. Stakeholders pointed out the lack of sufficient recycling capacity in the EU list of recycling facilities, as well as the unbalanced distribution of facilities. Also, clarifications were requested on the entry into force of the Basel Convention's Ban Amendment and on the inclusion of non-OECD facilities. The comments can be found [here](#).

Next steps

The Commission is expected to launch a 12-week public consultation in Q4 2022. On the basis of this, together with the supporting study and discussions in the Expert Group on Ship Recycling, the Commission will present a report evaluating the Regulation in Q4 2023.

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

[Regulation \(EU\) No 1257/2013](#) on ship recycling (SRR) entered into force on 30 December 2013 with certain provisions of the Regulation applying from 31 December 2020.

At the global level, India is the latest signatory to join the Hong Kong Convention in November 2019. At a European level, Croatia (February 2021) and Spain (June 2021) last ratified the Hong Kong Convention. 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 on board 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 the SRR 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 must 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 7th 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. BIOCIDAL PRODUCTS REGULATION (EU) No 528/2012

Relevance for marine sector

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

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. Antifouling used in the boating industry represent a 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-(p-tolyl) methanesulphenamide (Tolyfluanid);
- Dicopper oxide;
- Medetomidine;
- N-(Dichlorofluoromethylthio)-N',N'-dimethyl-N-phenylsulfamide (Dichlofluanid);
- 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 innovating on 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

Out of the product types in the Regulation, product type 21 (antifouling products) is of interest to ICOMIA. Commission Implementing Regulation (EU) [2022/1495](#) postponing the expiry date of the approval of medetomidine (CAS No 86347-14-0) for use in antifouling products was published in the EU Official Journal on 9 September and entered into force on 29 September. The approval of medetomidine now expires on 30 June 2025. Under the Biocidal Products Regulation, the Commission can decide to postpone the expiry of approval of a substance if such approval is likely to expire before a decision has been taken on its renewal, for reasons beyond the control of the applicant.

Next steps

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

Key stakeholders

Within the European Commission, the key unit is DG SANTE – Directorate-General for Health and Food Safety – Unit E4 – Pesticides and Biocides:

- Klaus BEREND – Head of Unit;
- Almut BITTERHOF – Deputy Head of Unit;
- Ludovic CHATELIN – Policy Officer – Biocides;
- Marta CAINZOS GARCÍA – Policy Officer – Biocides;
- Konstantinos TSIAMIS – Policy Officer – Biocides;
- Vincent Delvaux – Policy Assistant – Biocides.

Background

The European Biocide Directive was established in 1998 and laid the foundation for the ban of TBT tributyltin in 2003. To meet technological updates in this area, this was replaced by the Biocidal Products Regulation (BPR, [Regulation \(EU\) 528/2012](#)), which 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 an high level of protection for humans and the environment. The Regulation is divided

into four different categories, which include 22 distinct 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 Agency, 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. This 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](#) and [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.

3. DIRECTIVE ON PORT RECEPTION FACILITIES FOR SHIP-GENERATED WASTE (PRF) AND PORT SERVICES REGULATION

Relevance for marine sector

According to the Port Reception Facilities Directive, "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 2019 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 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 most of the 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

There are no new developments to report on.

Next steps

There are currently no further steps on either of these files. As soon as the next steps are known, they will be included in the report.

Key stakeholders

Within the European Commission, DG MOVE, 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.

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 27 June 2019, the new PRF Directive, [Directive \(EU\) 2019/883](#), entered into force. It aims at aligning the EU regime as far as possible with MARPOL, as regards scope, definitions, and forms. The main objective is to ensure that more ship-generated waste is offloaded in ports and not discharged into the sea. The proposal also aims to improve the efficiency of maritime operations in port by reducing the administrative burden of national authorities and operators. Under the Directive, 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.

[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.

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.

4. INDUSTRIAL EMISSIONS DIRECTIVE

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 concerns emissions from the production processes of engines and equipment/machinery of recreational craft and vessels. Hence, the permit considers the emission limits for polluting substances, noise, and waste of the installation.

Latest developments

During the European Parliament's ENVI Committee meeting on 12 July 2022, the Commission presented to MEPs its [proposal](#) for a revision of the Industrial Emissions Directive. Patrick Child, Deputy Director-General of the Directorate-General for Environment, noted four key elements of the proposal: (1) the requirement that emissions levels be consistent with the real performance of Best Available Techniques; (2) the introduction of the new Innovation Centre for Industrial Transformation and Emissions (INCITE), which will gather information on the pace of innovation and encourage its prompt uptake by industry; (3) the use of environmental management systems to promote decarbonisation, to make better use of energy, materials and water resources, and to reduce the use of toxic chemicals; and (4) the extension of the Directive's scope to cover more activities, such as battery gigafactories, mining and extraction of minerals and minerals, and the largest cattle, pigs and poultry farms.

Following the Commission's presentation, MEPs took the floor. The EPP (to which rapporteur Radan Kanev belongs), noted the industry's concerns on trade secrets, the reverse burden of proof in damage litigation, new red tape, overlapping legislation, and the minimum emission limit values. The S&D welcomed the use stricter emission limit values and asked about the possibility of including smaller installations dealing with substances of very high concern and PFAS. Renew Europe was supportive of various new elements in the Directive, and called for including more cattle farms in the scope. The Greens, who welcomed the new proposal, called against derogations for farming installations, and criticised the lack of CO2 limits in the text. The ECR said that companies would not be able to follow such stringent requirements. Finally, the Left urged to set clear limits and warned of ambiguity in the issuing of licences.

In the Council, the proposal is being discussed in the Environment Working Party.

Next steps

In the European Parliament, the rapporteur, Radan Kanev, will present the draft report with his amendments on 30 November, and other MEPs will submit their own amendments by 7 December. Amendments are expected to be voted on 25 April 2023. A vote in plenary would be held in Q2 2023.

In the Council, the proposal will continue to be discussed in the Environment Working Party under the Czech Presidency, with a view to reaching a Council position.

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](#) (IED) 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 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](#).

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

On 2 December 2021, the Commission updated Member States Experts of the Ambient Air Quality Expert group on the forthcoming developments concerning the revision of the Industrial Emissions Directive (IED). According to the publicly available information, the Commission gave a general statement on the achievements and main shortcomings of the current IED, without providing any insight into the specific content of the revised IED.

5. MARINE STRATEGY FRAMEWORK DIRECTIVE

Relevance for marine sector

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. 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 Member States 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 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, the impact is most notable in the Baltic Sea. Nutrient enrichment is 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 several 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, 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 During the meeting of Water and Marine Directors of EU and EFTA Member States, held on 9 and 10 June 2022, the Commission informed Directors of the state of play of the Directive's review process, among other topics, as shown in the meeting's [conclusions](#). The Commission also alluded to a possible delay in the revision of the Directive, and mentioned five issues that should be addressed in the future revision: (1) the lack of clear and operational objectives in the regulatory framework; (2) insufficient implementation and enforcement; (3) the need to strengthen regional cooperation and coordination; (4) the lack of policy coherence; and (5) inadequate data management. Member States highlighted several key challenges and needs: a simpler and more harmonised framework with clear deadlines and procedures; a better definition of priorities and targets; an assessment of the scale of intervention; better integration of climate change and Marine Protected Areas' concerns; and more coherence across EU legislation (through the alignment of monitoring and reporting, and the inclusion of the Directive's objectives in other EU policies).

Next steps The Commission is currently evaluating the Directive and is working on an impact assessment for a possible future revision of the Directive, although information on timing remains unavailable. 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 - Marine Environment and Clean Water Services:

- 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 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 based on eleven qualitative descriptors. 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 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 15th 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 was supposed to take place in China from 25 April – 8 May 2022, but was [postponed](#) to the third quarter of 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.

During the meeting of Water and Marine Directors of EU and EFTA Member States, held on 9 and 10 June 2022, the Commission informed Directors of the state of play of the Directive's review process, among other topics, as shown in the meeting's [conclusions](#). The Commission also alluded to a possible delay in the revision of the Directive.

6. WATER FRAMEWORK DIRECTIVE, GROUNDWATER DIRECTIVE AND BATHING WATER DIRECTIVE

Relevance for marine sector

Regarding the applicability of the Water Framework Directive, it covers all ranges of water sectors in which ICOMIA's members are active. 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 key issues that the WFD deals with is the discharge of polluting substances. It is also 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.

Emphasis is placed 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.

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 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

Proposal to revise the annexes of the Water Framework Directive and of the Groundwater Directive:

The legislative proposal on integrated water management, which will revise the lists of pollutants affecting surface water and groundwater, is now expected to be presented on 26 October as part of the Zero Pollution Package. The proposal will amend the annexes of the Water Framework Directive and the Groundwater Directive.

In addition, on 18 July, the Scientific Committee on Health, Environmental and Emerging Risks (SCHEER, a Commission-linked committee) provided its [opinion](#) on groundwater quality standards for the upcoming

legislative proposal. In it, the committee evaluates the proposed additional pollutants to be listed in the Annexes of the Groundwater Directive (PFAS, certain pharmaceuticals, and non-relevant metabolites of plant protection products).

Furthermore, the [conclusions](#) of the meeting of Water and Marine Directors of EU and EFTA Member States, held on 9 and 10 June, have been made available. The Commission gave an overview of the state of affairs of the proposal's Impact Assessment, covering the following issues: watchlists for surface and groundwater, the procedure for the revision of substance lists, the status of the interim report on Programme of Measures, more frequent and timely information on water pollution, the monitoring of micro-plastics, effect-based methods monitoring, and river basin specific pollutants. Directors stressed that effect-based methods must be deployed rapidly as complements to traditional methods, to enable effective monitoring of the status of water bodies, and also encouraged the Commission to reinforce the polluter pays principle, in particular in relation to PFAS.

Similarly, the [minutes](#) of the 17 May meeting of the Strategic Coordination Group for the Common Implementation Strategy for the Water Framework Directive, which is made of stakeholders and Member State authorities, have been made available. At the meeting, the Commission presented an update on the proposal. It also mentioned that the Working Group on Groundwater had considered making the voluntary groundwater watchlist mandatory, and that a phased-in approach for newly added substances under the Water Framework Directive was under consideration.

Revision of the Bathing Water Directive:

At the above-mentioned meeting of Water and Marine Directors of EU and EFTA Member States, held on 9 and 10 June (conclusions [here](#)), the Commission informed Directors on the state of the play of the ongoing review of the Directive. Preliminary findings of the ongoing evaluation of the Directive show the need to better tackle chemical pollution in bathing water, which is linked to the Industrial Emissions Directive and to other legislative initiatives. As part of the ongoing review process, a stakeholder conference is expected to be organised in Q4 2022.

Next steps

Proposal to revise the annexes of the Water Framework Directive and of the Groundwater Directive:

The proposal will be released on 26 October, after which it will be sent to Parliament and to the Council for examination.

Revision of the Bathing Water Directive:

A stakeholder conference will be held in Q4 2022. The Commission is expected to present a proposal revising the Directive in Q1 2023.

Key stakeholders

The relevant Directorate for the WFD is DG ENVI - Directorate C Zero Pollution, Unit C1 – Sustainable Freshwater Management. 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 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 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 2021. 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.

The 14-week public consultation, launched by the Commission in July 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, closed on 1 November

At the end of November 2021, the Commission organised a workshop on the evaluation of the Bathing Water Directive (BWD). The European Environment Agency (EEA) presentation on bathing water identification highlighted that the fact that identified bathing waters are monitored at national level but not reported to the EU could be due to the lack of a definition of "a large number of bathers" in the Bathing Water Directive, insufficient reporting capacity at sub-national or national level, or legislative constraints within a country. The JRC presentation noted that cyanobacterial blooms are a growing problem at EU level, as some of the toxins produced during the bloom are harmful to higher organisms and affect human health, tourism, fisheries and water monitoring and management.

7. EU EMISSIONS 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 high to have a significant effect.

The projections for carbon prices in the EU ETS assessment of around €45-55/tCO₂ between 2023 and 2030 would have a 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 key factors.

Latest developments Before the summer break, the [Council](#) and the [European Parliament](#) agreed on their respective positions for the trilogue negotiations. The first round of trilogue took place on 11 July, where only technical details and no content were discussed. The second round of trilogue are expected to take place in October.

Next steps The second round of trilogue will take place in October. logos expects that the co-legislators reach a final agreement in Q4 2022.

Key stakeholders European Commission DG CLIMA, Directorate B Carbon Markets and Clean Mobility, Unit B.1 - ETS (I) Policy Coordination, International Carbon Markets is in charge of this file:

- Metter Koefoed QUINN – Head of Unit;
- Polona GREGORIN – Deputy Head of Unit.

In the European Parliament, the ENVI Committee is the lead committee for this dossier, and the Committee on Industry, Research and Energy (ITRE) and the Committee on Budgets (BUDG) are the associated committees. The ENVI Rapporteur on this file is MEP Peter LIESE (EPP, DE) The shadow Rapporteurs are MEP Jytte Guteland (S&D, SE), MEP Emma Wiesner (Renew Europe, SE), MEP Michael Bloss (Greens/EFA, DE), MEP Danilo Oscar Lancini (ID, IT), MEP Alexandr Vondra (ECR, CZ) / MEP Silvia Modig (GUE/NGL, FI).

Background 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 tonnage), accounting for 90% of CO₂ 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.

On 8 November 2021, the Commission's [public consultation](#) regarding its proposal to update the current Emissions Trading Scheme (ETS) to other sectors (i.e. road transport) was closed. Among some of the relevant feedbacks:

- [International Chamber of Shipping](#) (ICS) argued that the different characteristics of the numerous ship types, contractual relationships and operators within the international shipping sector present a highly complex market that is unlikely to be effectively or appropriately addressed should the EU ETS be applied to shipping unilaterally.
- [Japanese Shipowners' Association](#) highlighted that the international rules have to be reviewed and enhanced as the necessary measure for GHG emissions from international shipping, instead of applying EU-ETS to international shipping.

On 22 June 2022, the European Parliament plenary [adopted](#) its negotiating position on the revision of the EU ETS. As foreseen in the compromise reached a few days before the vote, free allowances for sectors covered by CBAM will be phased out in 2032. Regarding road transport and the building sector, MEPs stuck to the ENVI Committee proposal: the EU ETS will be extended to commercial vehicles and commercial buildings only, and a new vote will be organised later to consider extending the mechanism to individuals.

On 29 June 2022, Environment Ministers [adopted](#) their General Approach on the revision of the EU ETS. Member States propose to stick to the ambitions of the Commission in terms of GHG emissions reduction for sectors covered by the EU ETS (i.e. 61% by 2030). Free allowances for sectors covered by CBAM will be progressively phased out between 2026 and 2035. Maritime shipping emissions will be included in the scope of the mechanism, and a separate ETS will be launched for road transport and buildings sectors (with the surrender of allowances starting in 2028, one year later than in the Commission's proposal).

8. REGULATION ON MONITORING, REPORTING AND VERIFICATION OF CO₂ EMISSIONS FROM MARITIME TRANSPORT (MRV)

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 tonnage in respect of CO₂ emissions released during their voyages between their last port of call and a port of call under the jurisdiction of a Member State and between a port of call under the authority of a Member State and their next port of call, as well as within ports of call under the authority 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 primarily recreational, the key aspect to consider would be the potential cascading initiatives that could arise as a result of the development of increasingly restrictive CO₂ 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 a 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

On 18 August, the Commission adopted the third annual report on CO₂ emissions from maritime transport, pursuant to Article 21(4) of the MRV Regulation. The report, which covers the period 2018-2020, has found that 2020 saw a structural reduction in CO₂ emissions from maritime transport compared to 2019 and 2018 as a result of the Covid-19 pandemic as well as the stricter sulphur limit for ship fuel oil, decided by the IMO, which came into force in early 2020. Reported CO₂ emissions in 2020 were 14.1% less than in 2019, while the number of ships submitting an emissions report fell by 5.4%. The full report can be found [here](#), while a summary can be found [here](#).

Next steps

There are no further steps for the time being.

Key stakeholders

The responsible unit for this file is DG CLIMA's Directorate B - Carbon markets & Clean mobility, Unit B4 — Mobility (II): Air, Rail, Water and Intermodal policy:

- Hans Bergman - Head of Unit;
- Maja DITTEL - Deputy Head of Unit;
- Matthieu Moulouquet - Policy Officer - International carbon market development and maritime issues;
- Dimitar NIKOV - Policy Officer - International shipping, emission reduction strategy (IMO), World Bank activities on carbon markets (partnership for market readiness).

Background

[European Parliament and Council Regulation \(EU\) 2015/757](#) on the monitoring, reporting and verification (MRV) of CO₂ 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 (CO₂) emissions and of other relevant information from ships arriving at, within or departing from ports under the authority of a Member State, to promote the reduction of CO₂ emissions from maritime transport in a cost-effective manner. The Regulation amends Directive 2009/16/EC on port State control.

On 4 February 2019, 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.

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](#). 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 2020, the Commission published the first [Annual Report on CO₂ Emissions from Maritime Transport](#).

SECTION II – Other Relevant EU Policies

1. DIRECTIVE ON THE PROTECTION OF WORKERS FROM THE RISKS OF CARCINOGENS AND MUTAGENS AT WORK (CMD)

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 confirmed that the 5th general update to the Carcinogens and Mutagens Directive will be limited to lead and its compounds, and will not include other substances. Welding fumes, polycyclic aromatic hydrocarbons (PAHs), isoprene, 1,4-dioxane and cobalt and inorganic cobalt compounds will be included in the 6th general update of the Directive. The Commission does not plan to include any other substance in the 6th revision, although other substances could be addressed in subsequent updates. The five substances to be included in the 6th update are at the following stages:

- Isoprene: In March 2022, the RAC adopted a scientific opinion setting an occupational exposure limit for isoprene.
- 1,4-dioxine: In March 2022, the RAC adopted a scientific opinion defining an occupational exposure limit, a short-term exposure limit, a biological limit value and a notion to 1,4-dioxine.
- Welding fumes: The ECHA's Risk Assessment Committee (RAC) is preparing a scientific opinion to define the scope of welding fumes in order to allow for a description of the relevant processes to be included in Annex I of the Directive. The opinion will be submitted by 30 November 2022.
- Cobalt and inorganic cobalt compounds: The RAC is preparing a scientific opinion evaluating exposure to cobalt and inorganic cobalt compounds, to assess the option of an airborne occupational exposure limit, other limit values and notations. The opinion will be submitted by 23 December 2022.

Polycyclic Aromatic Hydrocarbons (PAHs): The RAC is preparing a scientific opinion assessing approaches to monitoring exposure of PAHs

and recommending the most appropriate approach. The opinion will be submitted by 31 December 2022.

Next steps

The Commission is expected to present proposals to revise the Directive for the 5th and 6th time in 2024.

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;
- 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/m³ and 0.2 ppm;
- a limit value of 1 mg/m³ and 0.45 would be set for the acrylonitrile, in addition to a short-term limit value of 4 mg/m³ 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/m³ for the respirable fraction and 0.05 mg/m³ 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 compromise 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.

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.

In the context of the work on the revision of the Carcinogen and Mutagens Directive (CMD) and the EU Strategic Framework for Health and Safety at Work 2021-2027, the European Parliament's Committee on Employment and Social Affairs (EMPL) discussed the [284 amendments](#) tabled to the [draft Motion for a Resolution](#) in December 2021.

In the exchange of views, Rapporteur Marianne Vind (S&D, Denmark) said that current legislation does not go far enough in protecting workers and that higher standards are needed. She further addressed particular issues such as muscular-skeletal disorders, psychosocial work environment problems, harassment and stress, noting that they necessitate concrete measures. Vind expressed hope that the EMPL Committee vote on the draft Report and the amendments tabled to it could take place early in 2022.

Following the Rapporteur's statement, the EPP Shadow Rapporteur Cindy Franssen showed disappointment with the lack of ambition from the Commission on the fight against work-related cancer. She advocated for a revision of the system to set limit values on the 50 most dangerous substances by 2024 under the Carcinogens and Mutagens Directive ([CMD](#)). Action must be taken, she added, to prevent and detect occupational cancer related to night shifts, UV radiation and rheumatic and chronic inflammatory diseases. The Shadow Rapporteurs from the other political groups expressed different priorities, such as workers' mental health (Greens/EFA) or the asbestos screening during the renovation of buildings (GUE/NGL).

On 16 December 2021, the Council and the European Parliament reached a provisional agreement on the proposal to amend the Carcinogens and Mutagens Directive.

Under the agreement, workers would be better protected by setting occupational exposure limits (OELs) for acrylonitrile and nickel compounds and by lowering the limits for benzene. Reprotoxic substances would be included in the scope of the proposed directive. Workers dealing with hazardous medicinal products would be better trained in their safe handling.

In addition, the [European Parliament](#) asked the Commission to present an action plan to achieve OELs for at least 25 substances or groups of substances by the end of 2022. The Commission is also called upon to start the process of defining the upper and lower risk levels of the methodology for setting OELs and, in 2022, the process of lowering the OEL for crystalline silica dust.

The agreed text was approved by the EMPL Committee on 25 January 2022. On 17 February 2022, the agreement was adopted by MEPs with 686 votes in favour, 4 against and 4 abstentions. On 3 March, the Council has given the green light for the fourth revision to the carcinogens and mutagens Directive (CMD).

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 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	There have been no updates on the EU Timber Regulation. As such, the update of the last report is the latest relevant information.
Next steps	No new steps are foreseen regarding the Timber Regulation.

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;
- Jorge RODRIGUEZ ROMERO - Deputy Head of Unit;
- Argyro ZERVA - Policy Officer - International Forest Policy;
- Dorte PARDO LOPEZ - Policy Officer - International Forestry Policy and Multilateral Environmental Agreements;
- Bojan GRLAŠ - Team Leader - International Forest Policy;
- Diego TORRES - International Relations Officer - International Forest Policy.

Regulation on
Deforestation
and Forest
Degradation

On 12 July, the ENVI Committee adopted its [report](#) on the proposal for a regulation on Deforestation and Forest Degradation. The Rapporteur proposes to extend the scope of the proposal to rubber and to exclude recycled materials and products. The Regulation should also respect the rights of autochthonous populations. Regarding reporting obligations, operators would have to publish an annual report on their due diligence system. The rapporteur suggests proposing exemptions for small and medium-sized enterprises (SMEs).

On 28 June 2022, Environment Ministers have [adopted](#) their General Approach. Palm, oil, beef, timber, coffee, cocoa and soy would be included in the scope of the regulation and subject to mandatory due diligence requirements. The Council has agreed to establish a benchmarking system to assign third countries a risk level for deforestation, and proposes to strengthen human rights requirements (especially regarding the rights of indigenous peoples).

The co-legislators have agreed their respective position for the trilogue negotiations. The first round of trilogue took place on 27 September, where no content has been discussed. The institutions presented their positions.

EU Biodiversity
Strategy

On 6 September, the Commission published the [evaluation](#) report of the Biodiversity Strategy. According to the report, certain species have recovered and stakeholder engagement has been improved. However, the Report adds, the EU did not succeed in reversing biodiversity loss by 2020. In particular, the report concludes that there were a number of challenges and gaps in the implementation of the strategy, and that the financing was insufficient in order to achieve biodiversity decline reversal. The report underlines that the 2020 Strategy did not manage to mobilise sufficient funding.

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

On 12 July, the AGRI Committee adopted the [report](#). The MEPs welcome the initiative of the Commission that would help reaching the objectives of the European Green Deal. However, MEPs also set several recommendations to improve the Strategy. MEPs recommend, among other things, implementing the strategy at the local level, and drawing inspiration from field experiences. The Strategy should also rely on the recognition of property rights and economically viable forestry industry.

Finally, the report was presented during the plenary session on 12 September, where the MEPs adopted a resolution.

The Council adopted its [Conclusions](#) on the Strategy on 15 November 2021. The Conclusions stressed the importance of forests in the fight against biodiversity loss and climate change. However, the Council regretted the insufficient development of desertification and aspects of forests' hydrological function into the Strategy.

[With the adoption of conclusion and resolution, the file is concluded.](#)

Background:

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 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 feedback received can be viewed [here](#).

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

On 19 October 2021, the European Parliament's plenary adopted its Resolution in response to the Farm to Fork Strategy.

The MEPs voted in favour of the amendment submitted to the Motion for a Resolution put forward by a transversal group of MEPs, including Co-Rapporteur Herbert Dorfmann (EPP, Italy) during the first voting session.

The amendment introduced a new recital emphasising the need for scientific ex-ante impact assessments of any legislative proposals planned under the F2F Strategy.

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.

On 11 August 2021, 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.

On 17 November, the Commission published the [Fitness Check](#) of the EU Timber Regulation (EUTR) and the Forest Law Enforcement, Governance and Trade (FLEGT). The Fitness Check expressed doubts regarding the coherence of the Regulations with the political ambition as expressed in the European Green Deal, as the Regulations only focus on legality and therefore may be less relevant for climate ambitions. The evaluation of the EUTR and FLEGT Regulation was complicated by the lack of robust and comprehensive data regarding levels of illegal logging and illegally logged timber on the EU market and the lack of data concerning the costs of implementation for all stakeholders. The findings of the Fitness Check **have contributed to the policy options presented in the Commission's [proposal](#)** for the revision of the EU Timber Regulation.

Following the publication of the results of the Fitness Check of the EU Timber Regulation (EUTR) and the Forest Law Enforcement, Governance, and Trade (FLEGT) Regulation in November 2021, definitions, concepts and responsibilities of operators and competent authorities (CAs) have been better clarified in the [proposal for a Regulation](#) on deforestation and forest degradation. During their meeting on 17 March 2022, the EU's environment ministers discussed the proposal for a Regulation on the making available on the Union market and export from the EU of certain commodities and products associated with deforestation and forest degradation. The French Council Presidency emphasised the problem of deforestation and the need to tackle it in a harmonised manner and noted existing questions over the definitions of 'deforestation' and 'forest degradation' and asked the ministers for their views on the due diligence system and for suggestions to obtain a broad agreement.

Commissioner for Environment, Oceans and Fisheries, Virginijus Sinkevičius, explained the general content of the measure and stressed that it would place the EU at the forefront of global efforts to address and reverse deforestation. He added that it intended to address shortcomings identified in implementing the [EU Timber Regulation](#) and explained that the definitions were based on those developed by the United Nations' Food and Agriculture Organisation (FAO).

Expert Group on EUTR

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

Relevance for marine sector

The Waste Framework Directive (Directive 2008/98/EC) acknowledges that, since marine litter, in particular plastic, stems to a large extent from land-based activities, specific measures should be laid down in waste prevention programmes and waste managements plans. Those measures should be coordinated with the measures required under the MSFD and the EU Water Framework Directive (Directive 2000/60/EC).

Latest developments The Commission's 12-week [public consultation](#) on the revision of the Directive closed on 24 August. The consultation, which aimed at gathering stakeholders' views on waste reduction and prevention, food waste, separate collection, and regulatory and economic incentives, will help the Commission to develop the proposal.

In addition, the [Letter of Intent](#) which accompanies Ursula von der Leyen's State of the European Union Speech (delivered on 14 September) lists the revision of the Directive as one of the key initiatives for 2023.

Next steps The proposal for a revision of the Directive is expected for Q2 2023, after which it will be sent to Parliament and to the Council for examination.

In addition, the Commission is expected to present reports on the following topics in the future: on the power to adopt delegated acts under the Waste Framework Directive (by October 2022); on the feasibility of adopting measures for the treatment of waste oils (by the end of 2022); on the feasibility of setting targets on preparing for re-use and recycling for certain waste streams (by the end of 2024); reviewing EU waste prevention measures (by the end of 2024); and reviewing EU waste reduction targets for 2035 (by the end of 2028).

Key stakeholders The relevant staff in the Commission is part of DG ENVI - UnitB3 From Waste to Resources:

- Mattia PELLEGRINI - Head of Unit;
- Silvija AILE - Deputy Head of Unit;
- William NEALE – Adviser for Circular Economy.

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.

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

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. The French Presidency is expected to work on a compromise text.

Australia

Status negotiations ongoing

- On 22 May 2018, the Council of the European Union adopted the decision authorising the opening of negotiations for a trade agreement.
- On 18 June 2018, the EC and Australia launched negotiations for a comprehensive trade agreement.
- The Commission published its [proposal](#) for the EU-Australia FTA, which has been tabled for discussion with Australia.
- The [fifth round](#) of negotiations took place between 14 and 18 October 2019.
- The [sixth round](#) of negotiations took place between 10 and 14 February in Australia. Progress was achieved on almost all areas that will be covered by FTA.
- The [seventh round](#) of negotiations took place from 4 to 15 May 2020.
- The [eighth round](#) of negotiations took place between 14 and 15 September 2020.
- The [ninth round](#) of negotiations took place between 30 November and 11 December 2020.
- The [tenth round](#) took place from 9 to 19 March 2021.
- The [eleventh round](#) of negotiations took place in June 2021.
- The [twelfth round](#) of negotiations was held virtually between 7 and 18 February 2022. Negotiators continued discussions related to the market access for goods, as well as provisions on a wide range of topics:

national treatment obligations, origin marking, export monopolies, non-tariff measures, custom fees and charges. Several procedural provisions on rules of origin were also discussed (preferential tariff treatment for originating products, originating status of the products, etc.), but negotiations on some key principles are still pending. At the end of the round, negotiators provisionally concluded the chapters on transparency and domestic regulation and agreed on several product-specific rules for manufactured and agricultural products.

New Zealand Status: Concluded

- 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.
- The [twelfth round](#) of negotiations took place between 14-31 March 2022. Negotiators have reported progresses on IPRs, sanitary and phytosanitary measures as well as considerations regarding trade and sustainable development. Further rounds of negotiations will then be scheduled during the rest of the year 2022.
- [The negotiations concluded on 30 June 2022.](#)

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.
- On 9 December 2021, the second EU-Japan [progress report](#) was published.
- On 1 February 2022, the Joint Committee under the EU-Japan Economic Partnership Agreement (EPA) released its [Decision N° 1/2022](#) amending Annex 14-B of the agreement. This decision adds names to be protected as geographical indications. This decision entered in force on 1 February 2022.

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.
- On [7 December 2021](#), EU and Singapore agreed to strengthen the bilateral partnership on digital trade.
- On 19 April 2022, the EU-Singapore Trade Committee adopted a decision regarding geographical indications and amended Annexes 10-A and 10-B to the EU-Singapore Free-Trade Agreement. [Decision No 3/2022](#) entered into force on 19 April 2022, and was published in the EUOJ on 25 May 2022.

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 2022. 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 most 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 definitive 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. 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.

- On [31 October 2021](#), US removed Section 232 tariffs on EU steel and aluminium exports up to past trade volumes. The European Union took the steps to suspend its rebalancing measures against the United States. The two sides have also agreed to pause their respective WTO disputes on this issue. The EU and US will agree on arbitration system by 17 December, in order to suspend their WTO dispute. The arbitration, once established, would be also suspended indefinitely.
- After the discussion with the EU will be concluded, the US will start discussion with [UK](#) because the tariffs on UK producers still remain. The International Trade Secretary, Anne-Marie Trevelyan, has warned the US the UK could step up retaliatory measures if punitive tariffs on UK steel exports are not lifted soon.
- [In March 2022](#), considering the war in Ukraine, the German Finance Minister called for the reopening of negotiations between the EU and the US on a new free trade agreement. The Minister stressed the importance of strengthening trade relations between partners sharing the same values, he told to the newspaper Handelsblatt.
- [On 15 and 16 May 2022](#), the [EU-US Trade and Technology Council \(TTC\)](#) met in Paris for the 2nd time since its launch on 15 June 2021 to discuss the transatlantic partnership and address critical challenges regarding trade and technologies. Ministers exchanged on various issues including information integrity, technology standards, AI, supply chains, etc. Participants also expressed their support for Ukraine and committed to rebuilding the Ukrainian economy and encouraging trade and investments once the war ends. Another meeting of the TTC will be scheduled before the end of 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.

The [Implementing Decision 2021/1803](#) on Brexit Adjustment Reserve (BAR) was published in the EU Official Journal on 12 October 2021 and entered into force.

On 14 March 2022, the European Commission presented [draft regulation](#) setting rules on exercise of Community Rights in the implementation of UK Withdrawal Agreement.

On 24 March 2022, the European Commission published a [Report](#) on the implementation and application of the Trade and Cooperation Agreement (TCA) between the EU and the UK, covering the period 1 January to 31 December 2021. The Commission notes that despite the agreement concluded with the UK to avoid trade barriers after Brexit, new trade obstacles have emerged. Brexit had a negative impact on trade between the EU and the UK, with levels of business flows lower in 2021 than before 2020.

On 13 June 2022, the British Government introduced a [draft legislation](#) to unilaterally revise the Northern Ireland protocol, concluded with the European Union to avoid returning a physical border between Northern and Southern Ireland. In [response](#), the European Commission has launched on 15 June 2022 legal actions against the UK, considering the British government's move a "breach of international law".