



ANNUAL REPORT
2019-2020

Sustainable
Public Procurement,
enabling EU's
Green Deal



EUROPEAN DREDGING ASSOCIATION





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“EuDA is the official interface between the European Dredging Industry and the European Institutions”

EUDA'S SUSTAINABILITY STATEMENT

Organisations as well as individual companies interact directly or indirectly with the environment through what they do and how they do it.

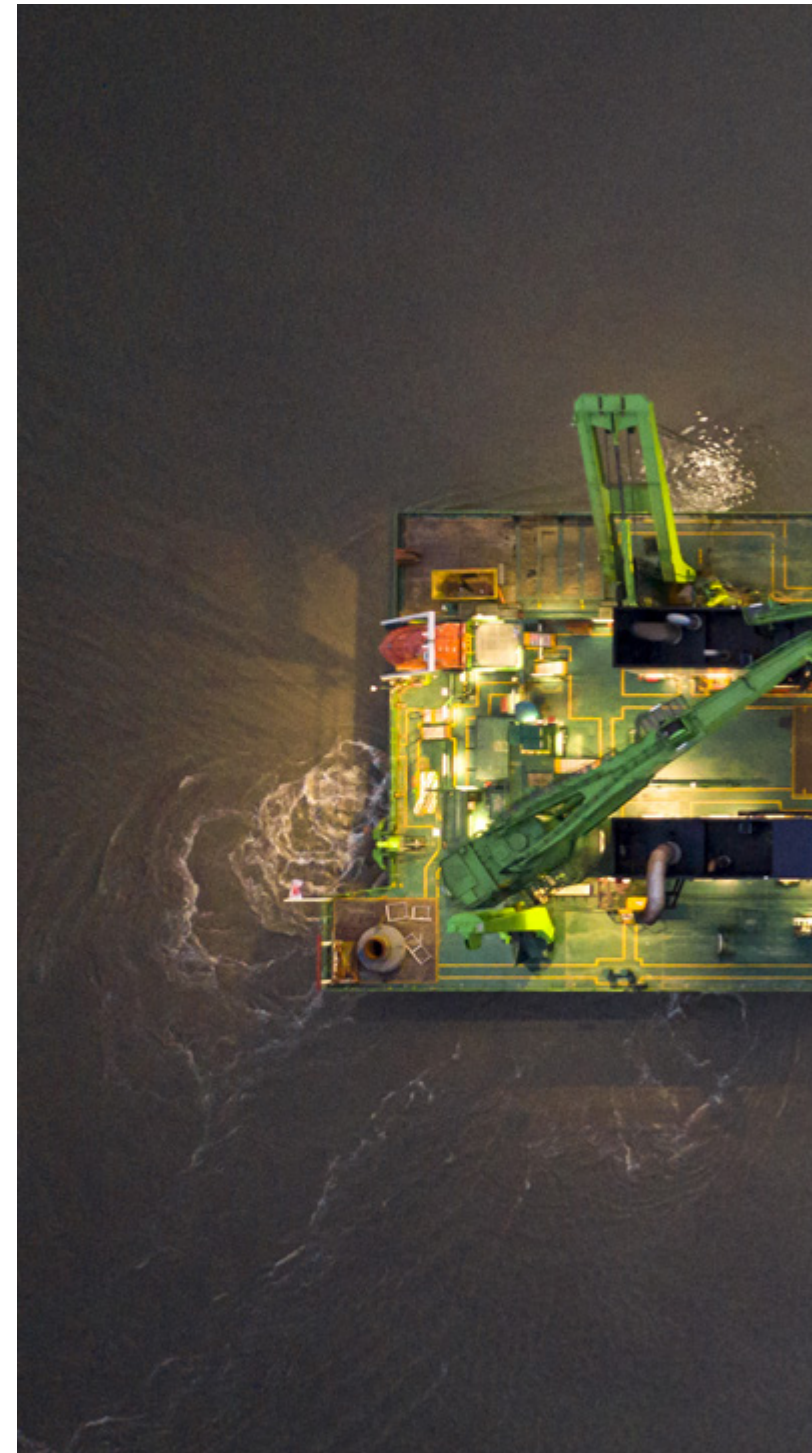
What dredging companies do is projects. Well-designed multiple purpose projects can contribute to sustainability by adding value to the environment, the economy and society during the entire life cycle of the infrastructure.

How dredging companies do projects can also provide substantial contributions to sustainability during the execution of the project (e.g. construction of infrastructures) by reducing impacts on or improving the state of the environment and/or society (e.g. use nature-based solutions, train & educate local workforce).

“Sustainable Public Procurement
is a major opportunity for Europe
to seize”

What EuDA does is to interface between the dredging industry and the European administrations. EuDA's contribution to sustainability results from the adaptation and improvement of the EU regulatory and governance frameworks in order to facilitate and maximise EuDA's individual members' contributions to sustainability.

How EuDA does it is referring to the environmental footprint of the secretariat and the steps taken to reduce it.





This is a wake-up call!

With its Green Deal, Europe ambitions to tackle great global challenges, such as climate change and environmental degradation, that pose existential threats to both Europe and the world. These global challenges can be turned into opportunities for Europe and a new EU growth strategy was designed accordingly.

As key enablers of the Green Deal, dredgers exemplify the future-oriented and solution focused sectors that continuously invest to improve their environmental footprint and provide innovative sustainable solutions (including protection against sea level rise, flood protections, marine habitats restoration).

WE LOOK FURTHER. WE LOOK FOR SUSTAINABILITY.



MESSAGE FROM THE BOARD

2019-2020: The new Commission's new Ambitions

Ursula von der Leyen, President of the New Commission 2019-2024, wants to “*build the world we want to live in*” and “*propel Europe forward*”. Therefore, the top priority of the von der Leyen Commission is to achieve the Paris Agreement Goal to keep the global temperature increase below 1.5°C. To achieve this goal, the Commission is putting in place a battery of coordinated initiatives, known collectively as the **Green Deal**.

The Green Deal is about rebalancing the environment within the sustainability three pillars by tackling the most urgent negative externalities caused by economic activities: **climate change** (by reducing emissions of greenhouse gases and boosting climate change adaptation), unsustainable **use of resources** (biological, energy, water, spatial), increased amount of **waste** (by increasing the implementation of circular economy principles in all economic activities) and **pollution** (in the air, in water and in soils).

The Green Deal aims at “greening” European economic activities through new legislation, with support and incentives to green transition, with a renewed industrial strategy (that should materialise green opportunities for European activities). One of the first initiatives

was to “*sustainabilise*” European financing. The Green Taxonomy Regulation was adopted in June 2020 to define the conditions under which economic activities substantially contribute to the global environmental challenges (climate change unsustainable use of resources, increased amount of waste and pollution). The Commission then established a Platform on Sustainable Finance with experts coming from the academia, the industry, the NGOs and from various administrations (including the European financial institutions) tasked to define the technical criteria that will determine the minimum conditions for such a contribution to the environment. The idea behind the Green Taxonomy is to develop a transparent and fact-based approach that will allow the financial actors to invest in full knowledge.

Together the Green Deal initiatives have the potential to become a ‘**game changer**’ for most economic and industrial activities in Europe and progressively around the world. It is essential though that other parts of the world join these efforts as, for instance, atmospheric pollution knows no border and can only be solved by a concerted effort of the world's major economies.

Of course, 2020 was marked, if not scarred, by the outbreak of **COVID 19**. Its rapid propagation around

the world took politicians and decision-makers in a completely unknown territory that was asking them to take measures to reduce damage either to their national economy or to their national population. Critical and effective decisions had to be made, and fast. Some mistakes and U-turns were made but overall, we can highlight the following positive aspects: seafarers were recognised as “essential workers” (but more still needs to be done to allow crew changes); the generalisation of telework and teleconferencing have dramatically changed corporate habits and reduced the environmental footprint of many economic activities.

Brexit happened on 1st February 2020, finally. But it went from daily headlines in the previous years to nearly completely invisible for the rest of 2020, once the COVID pandemic started. Nevertheless, Brexit was a major upheaval that has had significant economic impacts both in the EU and the UK, emanating from: the lack of a post-Brexit trade deal, the re-institution of import taxes and duties, the logistics and congestion problems caused by border checks. More specifically

“The Green Deal,
a Game Changer”

2019-2020 Members of the EuDA Board

Alan Lievens
(Chairman)



Jeanette Rohde
(Vice Chairman)
(Rohde Nielsen)



Peter van der Linde
(Treasurer)
(Boskalis)



Mieke Fordeyn
(Jan De Nul)



Govert van Oord
(Van Oord)



Jens Schmidt
(Hegemann - Dredging)



Kees van de Graaf jr.
(Dutch Dredging)



Éric Tancre
(DEME)



Andrea Vollebregt
(Vereniging van
Waterbouwers)



to the UK, additional impacts came from the re-localisation of activities back in the EU and the lack of EU transport workers (causing congestion at UK ports and re-routing to other ports).

2019 and 2020 were also marked by a surge of interest in the European construction public procurement market by Chinese State-owned Enterprises.

EuDA's time and energy was spent on the following subjects:

- 1) the Green Taxonomy;
- 2) the trade relations inside and outside the EU;
- 3) the EU Green Deal;

The Green Taxonomy

EuDA joined the Commission's Platform on Sustainable Finance and will take part in the work of the experts to determine technical screening criteria for significant contribution to one of the four environmental objectives

(use of water resources, restoration of biodiversity and ecosystems, pollution prevention and control and circular economy) as well as technical screening criteria for no significant harm done to the other three and to climate change mitigation and adaptation.

The Trade relationships inside and outside the EU

EuDA is committed to keep improving the level playing field and opening markets inside and outside Europe. EuDA welcomes the realisation by the EU Institutions and Member States that China is also a 'systemic rival' ("*EU-China – A strategic outlook*") in March 2019. The European Council called for a series of actions, among which the Commission's guidance on the participation of third country bidders in the EU procurement market was the first to emerge.

EuDA has further refined its own trade strategy and concluded that '*there is no silver bullet*' to tackle unfair trade practices by State-owned Enterprises.

Therefore, a strategic trade toolbox approach was the only practical way forward that may include: the International Procurement Instrument, the application of EU State Aid regulations to all EU and non-EU companies active in the European territory; trade defence instruments for construction services; and the Commission's guidance on the participation of third country bidders in the EU procurement market.

EU Green Deal

The work of EuDA on CO₂ emissions started in 2008 and its **CO₂ Strategy** are key components for the European dredgers' contribution to the Green Deal. EuDA has updated its analysis on CO₂ emissions from dredgers. EuDA also reflected and further analysed its contribution to sustainability.

With our best regards,

**Alan Lievens, Chairman
and his colleagues of the Board of EuDA.**





THANK YOU, Edwin!

In 2015, you joined the EuDA Board as manager of the Vereniging van Waterbouwers (VvW). The views of a sister non-profit organisation as yours were both useful to our discussions and well appreciated by the Board.

On behalf of your colleagues in the EuDA Board of Directors, we would like to thank you, Edwin, for your commitment to the EuDA Board and for your support to EuDA.



Edwin Lokkerbol

We wish you all the best in your new endeavour and welcome your successor Mrs Andrea Vollebregt on board the deck of the EuDA ship.

*Thank you, Edwin
Good luck to you and Farewell!*

Alan LIEVENS,
Chairman

No Sustainability without Level Playing Field

Both sustainability and level playing field are about balance. Tackling the sources and causes of imbalances are the essential objectives. Internalisation of externalities (positive or negative) allow the integration in economic decision-making and better consideration of, for instance, the negative impacts on the environment, on the human working and living conditions.

WE LOOK FURTHER. WE LOOK FOR SUSTAINABILITY.



INTERNATIONAL MARKETS

Following the significant increase of work on international trade issues, the EuDA Board reviewed the structure of the secretariat's activities and decided to regroup all trade related activities under a new permanent **Market Access Committee** (MarCom). MarCom was established in 2020 as a permanent committee dealing with matters relating to access to EU and non-EU markets, covering trade issues and international affairs that may significantly impact the European Dredging Industry. The main objective of MarCom is to anticipate problems, follow-up issues and, where necessary, improve the International and European trade legislation.

MarCom is chaired by Pierre Potvliege, retired DEME Area Director for India. MarCom's work requires cooperation with other Organisations at International level (WTO, OECD), European level (European Institutions) and National level (local authorities and governments) as well as with Sister Organisations in Construction Activities (FIEC, EIC, ...) in order to have a more effective impact on the legislation.

In 2019 and 2020, EuDA's work on trade issues focused on unfair trade practices by non-EU State-owned Enterprises (SoEs) and on issues with Australian visas.

Access to the US dredging markets



Background

Largest economy in the world and free trade champion, the US also represent a huge dredging market that is currently closed to foreign competitors. EuDA started a long-term lobbying campaign in 2013 and provided support to the EU Commission during its negotiations of a free trade agreement with the US (Transatlantic Trade and Investment Partnership-**TTIP**). When President Trump took office in 2017, TTIP negotiations ceased very quickly.

EuDA then reviewed its strategic approach and, building on the momentum created by TTIP, pursued a direct lobbying campaign until 2018. As from 2019, EuDA stopped direct lobbying activities in the US.

EuDA Strategy

The main lines of the EuDA strategy were to

- target minimum legislative changes (focusing on the 1906 US Dredging Act, without affecting the 1920 US Jones Act);
- justify the need for such legislative changes with clear increase of economic benefits and employment in the US (making business cases demonstrating added value, cost reductions and time gains for the US);
- target first a one-off pilot exemption (waiver to the Dredging Act) to execute a first European project in the US;
- then lobby for a more permanent solution (amendment of the Dredging Act).

Support of the Commission Services

Regular contacts with European Commission officials from DG TRADE, DG MOVE and EEAS (European External Action Service, the 'European Diplomacy Institution') were maintained throughout 2019 and 2020.

2020
Members
of the
MarkCom



Pierre Potvliege
(Chairman, EuDA)



Alan Lievens
(EuDA)



Kobbe Peirs
(Jan De Nul)



David Luty
(Jan De Nul)



Sofie Verlinden
(DEME)



Yves Cornardt
(DEME)



Robert Poelhekke
(NABU)

Following-up on the success of their **high-level Study Tour of US Officials in Europe**, to which EuDA contributed, the EU Delegation in the US (EUDEL) pursued their work and efforts. They commissioned an impact study which although too focused on the legislative aspects, still managed to attract the attention of the Congress on the lack of dredging capacity in the US and the consequences in terms of delays and increasing costs. The Congressional Research Service (CRS) published an article in the CRS Insight in June 2019 on the *“Harbor Dredging: Issues and Historical Funding”* where the increase of the dredging costs in the US are documented and where the lack of capacity of the US dredgers is clearly identified as one of the root causes.

Paper and Webinar on US coastal resilience in 2020

Furthermore, the Delegation of the European Union in Washington (EUDEL) pursued its action to further convince local politicians and officials of the benefits of opening the US market to European Dredgers. In 2020,

EUDEL commissioned a paper *“Building Resiliency in America’s Coastlines”* addressing dredging in the US. It was published on the webpage of the Tulane Institute on Water Resources Law & Policy. EUDEL organised on 03/12/2020 a virtual forum to further discuss this topic. The panel was moderated by **Colin Grabow** (who heads the Jones Act project at the CATO Institute) and included speakers such as **Caitlin Cain**, the paper’s author and water tour alumnus, **Mark Davis**, the head of the CATO Institute and **Fokko van der Goot**, EuDA speaker. The attendance was broad.

Nationalisation of dredging in Germany Background



In 2016, the German Federal Government opened a public tender to build a 7,500 m³ Trailing Suction Hopper Dredger (TSHD) with the aim of extending its State-owned dredging fleet from one to two TSHD’s. The German government’s plan was to deploy the newly built TSHD for the execution of maintenance

dredging works on the Elbe. These works are so far procured via public tendering processes. Therefore, the extension of the State-owned dredging fleet can be considered as a reduction of the size of the open German dredging market and, as such, a case of nationalisation. EuDA worked closely with the Vereinigung der Nassbaggerunternehmen (VdN), the German Association of Dredging Companies, and provided its help and support. The early analysis of the situation revealed that strategies would need to be more political than legal and that action at local level should be prioritised (while action at European level should be used in a second phase).

The key issue in Germany is **the further closing of 25% of the maintenance dredging market.**

Key points of the VdN strategy

In highlighting the strategic importance of the maritime transport and the contribution of maritime infrastructures



Arthur Hol
(Van Oord)



Robert Middelhoek
(Van Oord)



Lara Muller
(Boskalis)



Wim Vogelaar
(Boskalis)



Paul Janssens
(Jan De Nul)



Erwin Deserranno
(DEME)



Peter Boere
(Boskalis)



Will Pryce
(Rohde Nielsen)



Paris Sansoglou
(EuDA)



Fabio Rondini
(EuDA)





to trade and economic development in Germany, VdN also highlighted the high efficiency and reliability of the highly specialised and capital-intensive companies carrying out dredging. State interference should be kept at a minimum and the technical know-how of decision-makers should be ensured. As a recommendation, the German Shipping Administration should operate **only one hopper dredger**. To this end, VdN is encouraging the politicians and decision-makers from the administration “not to approve budget for the building of a second new hopper dredger” to replace the “Nordsee”.

Overview of activities in 2019-2020

In 2019, during the biggest maritime event in Germany, the **National Maritime Conference**, VdN approached key “maritime” MPs and convinced them *“not to approve budget for the building of a second new hopper dredger”* to replace the “Nordsee”. However, this remains a continuous battle, as the BMVI/BMW¹ administrations (managing the waterborne infrastructures) fear a too heavy dependence on the private sector and insisted on operating both an old and a new hopper dredger in parallel. While insisting on the need for a second federal hopper dredger, there still seems to be a ‘strong’ determination of the German administrations to build water-injection dredgers (which should undoubtedly have an impact on the size of the public

share in the German dredging market). Nevertheless, these administrations also underlined that they would want to continue working with the dredging industry. They suggested there would always be enough work for both the public and the private fleet to carry out navigational dredging activities.

In mid-December 2019, VdN was received in Berlin by Parliamentary Secretary of State Enak Ferlemann, Prof. Witte (GDWS²) and Dr Salomon (Director for Shipping, BMVI). The meeting was constructive and kicked-off a structured dialogue with GDWS at Director’s level. Close dialogue between the dredging industry and the public authorities is required in order to ensure safe access to Germany’s ports. VdN also organised with GDWS a joint professional training seminar for the GDWS engineers on dredging techniques and production as well as cost estimation. The feedback about VdN presentations given by the participants has been excellent.

In 2020, despite the COVID confinement measures, the VdN’s representations at political level have moved up the hierarchy. A structured dialogue with GDWS took place in Bremen during the summer. VdN was received by Professor Witte and his team in order to cover a busy agenda. The meeting was constructive and included a discussion on the division of labour between the public and the private fleet.

The ongoing newbuilt to support the “Nordsee” is facing delays. GDWS expects the ship to be delivered in summer 2021, approximately 1,5 years after the planned date. Both ships would operate in parallel. Ultimately, GDWS still hopes to build a second new hopper dredger to replace the “Nordsee” in a couple of years. VdN fiercely opposed these intentions, suggesting it would violate the legal requirement of a 25%/75% share between the public and private fleet to cover navigational dredging. The next structured dialogue shall take place in summer 2021.

In parallel, VdN has kept up regular contacts to key MPs in the Federal Parliament. This has included MPs from the coalition - CDU/CSU and SPD - and the opposition FDP. During the summer of 2020, the federal government adopted a fleet renewal programme and it does not include a second new federal hopper dredger. During the plenary our contact MP Reinhold (FDP) had stressed that these investments must not be used to compete with the private sector.

On the occasion of the **European Shipping Week**, in February 2020, EuDA had organised a one-to-one with Mr **Norbert Brackmann**, German Maritime Coordinator on 20/02/2020. Ahead of the German Presidency of the EU (01/07/2020 - 31/12/2020), Mr Jens Schmidt took the opportunity to highlight the main issues of concern

¹ BMVI (Bundesministerium für Verkehr und digitale Infrastruktur) is the Ministry of transport.
BMW (Bundesministerium für Wirtschaft und Energie) is the Ministry of economy and energy

² GDWS (Generaldirektion Wasserstraßen und Schifffahrt) is the General Direction for Waterways and Shipping.

for the European Dredgers (including global issues with level playing field, China, Chinese ISO standard proposals, investments in ports and concessions on mineral resources).

In July, VdN was informed that the coalition had decided to leave the final decision regarding a second new hopper dredger until after the federal elections (late summer 2021). VdN will continue to closely follow the debates.

Unfair trade practices by non-EU State-owned Enterprises Background



Many of trade practices used by non-EU State-owned Enterprises have the potential to significantly distort competition (e.g.: State subsidies, tied financing schemes for clients, protected domestic market). Most of the cases affecting European Dredgers emanate from the Chinese State-owned Enterprises (SoEs). For over a decade, EuDA has been actively involved in counteracting unfair trade practices of Chinese State-owned Enterprises (SoEs) worldwide: e.g. tied financing schemes that close markets in Africa, South America and Asia. EuDA described in a position paper how the Chinese domestic market is *de facto* closed to European dredgers. EuDA argued against recognising the Market Economy Status of China in WTO. EuDA was involved in

the first case of unfair practices to win a dredging project inside Europe (the Case of Swansea Bay Tidal Lagoon in 2015). Since 2018, EuDA is involved in monitoring and, where necessary, reviewing standards for dredging vessels proposed under ISO TC8 WG11 lead by China.

Sense of urgency

These unfair trade practices have enabled Chinese construction contractors to triple their international market share over the past ten years from 7% to 21% globally and doubled in Africa from 28% to 56% at the expense of European international construction contractors. It has also to be mentioned that without Chinese financing, many of these projects would probably not have been financed nor executed for lack of economic sustainability. But considering only the economically feasible projects, which European contractors had a fair chance of winning, the damage already caused by these unfair practices to the European Dredgers outside Europe is undeniable though difficult to estimate.

In a November 2018 report, (*"The Dutch and Belgian Dredging Industry Exploration of the Future"*, Erasmus University), the Rotterdam School of Management identified a significant growth of Chinese dredging SoEs worldwide.

This significant growth of Chinese dredging SoEs worldwide can be explained by:

- **a protected domestic market:** where they execute the vast majority of the projects;
- **finance-captured export markets:** which are third country markets where China finance all the projects (using tied financing schemes, political influence, mega-package deals, ...) in the context of BRI;
- **exposed-captured export markets:** which are third country markets where the Chinese SoEs have established their monopoly or oligopoly and where they execute the projects at (high) prices they dictate in the absence of foreign competition;
- **foreign-financed export markets:** which are third country markets where the Chinese SoEs execute projects funded or financed by EU or World Bank and where the conditions of sustainability (environmental, ethical and social standards) contained in the funding/financing agreements are lacking effective enforcement by EU or World Bank;
- **loopholes in national legislations:** e.g. in Europe, Chinese SoEs can execute projects without having to comply to EU State Aid rules, or can bypass EU procurement rules (e.g. under the guise of an international MoU).



“When designed in a long-term view, overcapacity allows the elimination of foreign competitors”

Now that the Chinese SoEs are entering Europe's infrastructure market, it is high time for the EU to react to ensure that fair competition and level playing field remain the norm in Europe!!!

The tide is finally turning in Europe

Against the backdrop of China's growing economic power and political influence, the European Commission and the High Representative for Foreign Affairs and Security Policy Federica Mogherini reviewed European Union-China relations and the related opportunities and challenges. On 12/03/2019, the European Commission and the High Representative published a Joint Communication on "EU-China – A strategic outlook", in which, they stated that:

*"China is, simultaneously, in different policy areas, a cooperation partner with whom the EU has closely aligned objectives, a negotiating partner with whom the EU needs to find a balance of interests, an economic competitor in the pursuit of technological leadership, and a **systemic rival** promoting alternative models of governance".*

This Communication contained 10 concrete actions to take by the Member States and started a reflection to refine Europe's approach to be more realistic, assertive and multi-faceted. During their meeting on 21-23/03/2019, the EU Member States came to the conclusion that

*"the EU must also safeguard its interests in the light of unfair practices of third countries, making full use of **trade defence instruments** and our **public procurement rules**, as well as ensuring effective reciprocity for public procurement with third countries. The European Council calls for resuming discussions on the EU's international procurement instrument" (European Council Conclusions March 2019).*

One of the immediate positive consequences of this decision was the publication of the European Commission's Communication C(2019) 5495 on "*Guidance on the participation of third country bidders and goods in the EU procurement market*"; (24/07/2019). This Commission Guidance confirms among key functioning principles for public procurement, that "Art. 43 of Directive 2014/25/EU does not grant secured access to the EU procurement market to all third country operators". More specifically, unless a country is a signatory of the WTO GPA agreement or has signed an FTA with the EU, its **access to EU public procurement market is not secured** and its companies can be rejected from tenders for this reason only.

In line with the Joint Communication, the March 2019 European Council called for action by the EU and its Member States to ensure **fair competition** "*within the Single Market and globally, both to protect consumers*

*and to foster economic growth and competitiveness, in line with the long-term strategic interests of the Union. We will continue to update our European competition framework to new technological and global market developments. The Commission intends to identify before the end of the year how to **fill gaps in EU law in order to address fully the distortive effects of foreign state ownership and state-aid financing in the Single Market.**" (European Council Conclusions March 2019).*

Europe needs to prevent foreign subsidies and other unfair trade practices from distorting procurement procedures and to ensure that firms benefit from fair access to both private and public contracts. With the COVID outbreak and following confinement measures, some of the momentum was lost, however, on 17/06/2020, the European Commission adopted a **White Paper** on "*levelling the playing field as regards **foreign subsidies***", dealing with the distortive effects caused by foreign subsidies in the single market. The Commission opened a public consultation (closed on 23/09/2020), to help to prepare for appropriate legislative proposals in this area. Executive Vice-President Margrethe Vestager, in charge of competition policy, said: "*Europe's economy [...] (needs) the right tools to ensure that foreign subsidies do not distort our market, just as we do with national subsidies*".

With this White Paper, the Commission highlighted how important level playing field is for a well-functioning single European market and for Europe's prosperity. This gives a strong signal on how important EU competition rules, trade defence instruments and public procurement rules are in ensuring fair conditions for companies in the single market.

Overview of activities in 2019-2020

Building intelligence

In 2019-2020, EuDA gathered information, experiences and issues with unfair competition from non-EU SoEs that the dredgers and other construction contractors face around the world. EuDA compiled an overview of the Chinese unfair practices in construction projects in Europe and around the world.

In light of this analysis, the following key aspects of China's 'going global' strategy were identified:

- **Overcapacity as an economic weapon**
when production capacity structurally exceeds consumption needs (overcapacity), supply will exceed demand (oversupply) and consequently market prices will need to readjust (price decrease); decrease in prices will increase economic pressure on the less performing and older capacities (more costly to operate) that ultimately, unless protected by their State, will be

forced to shut down (capacity rebalancing).

Capacity rebalancing to match effective consumption needs can induce shut-downs in any country involved in a globalised market.

When designed in a long-term view, overcapacity allows the elimination of foreign competitors that progressively also pave the way to oligopoly or monopoly situations in the targeted markets.

- **State-owned Enterprises**

State-owned Enterprises (SoEs), especially non-EU SoEs, are more and more benefitting from significant State subsidies that they can use to unfairly win markets in third countries and in Europe (where the State Aid Regulations do not apply to non-EU companies).

All the Chinese companies involved in a 'strategic sector' on the global stage are either State-owned or State-influenced (companies depending on the financing from the State-owned banks). The State-owned or State-influenced character of the Chinese companies often leads them to behave or make decisions without applying Market Economy principles. In fact, Chinese SoEs are used as instruments to fulfil China's political and economic policies and ambitions.

- **Asymmetric Relationships**

Since reopening to the outside world in 1978, China has always made sure to gain more from its trade and economic partners than it gives away to them.

The cornerstone of this asymmetry is reflected in the difficulty for foreign companies to access the Chinese domestic market, which is benefiting from heavy protectionist measures, including restricted access to foreign companies and /or from discriminatory fiscal treatment in China.

Lack of reciprocity with Europe

In 1995, Europe established a constructive partnership with China to help China in its difficult process of transition. In 15 years, China progressed from a low-income country to an upper-middle income country. But the world's second economy and workshop is still 'technically' a developing country.

*Overall, due to their trade deficit to China, European countries transfer **140 billion euros per year** to China. For the last 15 years, this amounts to 2.1 trillion euros transferred to China. While China leverages its long-term trade surpluses with the EU and the other parts of the world to continuously modernise its economy and make it more and more competitive, it also uses these surpluses to significantly advance its political influence abroad and strengthen its military power.*

- **Belt and Road Initiative**

The Chinese government is characterised by its undivided control over the country and its economy. This undivided control in China is obtained by setting the rules of engagement and owning or controlling the majority of the economic players. To continue having this undivided control when dealing with the outside world is a huge challenge. Therefore, China's strategy of overcapacity, implemented through its heavily supported SoEs, aims at achieving a state of global oligopoly or monopoly in 'strategic sectors' (including dredging and construction).

The Chinese One Belt One Road Initiative (OBOR) or the Belt and Road Initiative (BRI) is a long-term political framework designed to secure logistical/strategic connections with key markets and resources while also securing the required infrastructure projects outside of China for the continuous growth of the Chinese State-owned contractors. The BRI's design aims at increasing the geopolitical influence of China at any cost, with low emphasis on correct business ethics, environmental performance or working conditions.

The BRI is designed to exclude competition through tied financing schemes, mega package deals or State to State arrangements (in the form of Memorandum of Understanding).

By refusing to join the OECD nor sign any of its agreements, China gives its Chinese SoEs the possibility not to have to comply to any of the minimum OECD standards on business ethics, environmental performance and/or working conditions, which they often don't (as confirmed by the US sanctions on CCCC).

When a lender knows and intends to take advantage of the borrower's incapacity to service its debt, it is called a 'debt trap' or 'predatory financing'. The non-commitment of China to comply to the OECD agreements also means that its SoEs can provide their prospective clients with access to cheap but tied financing schemes. The servicing of these cheap loans may indeed quickly lead the vulnerable borrowers to default: as the oversupply of cheap loans to clients in poorer and developing countries can quickly lead them to reach unsustainable debt levels and to have to transfer control of their key assets (e.g. ports) or resources (e.g. mines), used as collaterals.

- **China's Acquisition Strategy and Vertical Integration**

A significant part of the BRI Strategy is also to take control of key logistics nodes (or of companies in sectors considered strategic by China), either through normal or forced acquisition processes. The Chinese government acquisition strategy also tends to integrate vertically to increase its dominant position in certain markets from the extraction of resources, their processing and their transportation. This also raises the question whether governments, as centrally controlled as China, should not be subject to the same anti-trust, anti-cartel and anti-dominant position scrutiny and rules as the big private multinational companies?

A clear example of China's Acquisition Strategy is the acquisition (99 year concession) of the Port of Piraeus where COSCO established a stronghold for shipping of Chinese goods in the Mediterranean and the rest of Europe.

Finally, as the COVID pandemic seriously affected all its members, EuDA asked the Commission to treat energy and transport infrastructures as priority and strategic assets for Europe. Beyond the short term perspective of recovering from the Coronavirus crisis, the main message is **to treat all transport infrastructure as**

strategic to Europe (meaning their planning, design, financing, construction, operation and acquisition should be monitored and checked against key strategic European criteria).

EuDA 2020 Workshop

Just before the COVID pandemic lockdown, EuDA managed to organise a workshop on “*Trade Defence Instruments for Services or Enforcement of State Aid Regulations to all non-EU State-owned Enterprises?*” in the context of the European Shipping Week 2020.

Created in 2015 at the initiative of ECSA (the European shipowners’ association), the European Shipping Week (ESW) is a week-long platform of events organised every second year where EU policy-makers can meet and engage with European shipowners and other stakeholders from the maritime sector. The focus is on shipping, in all its different aspects, including the participation of sectors linked to the shipping industry.

As member of the Steering Committee of ESW, EuDA organised a workshop on ‘Trade Defence Instruments for Services or enforcement of State Aid Regulations to all non-EU State-owned Enterprises?’ on Mo 17/02/2020 in Brussels.



PROGRAMME OF THE ESW EU DA WORKSHOP ON “TDIS FOR SERVICES OR ENFORCEMENT OF STATE AID REGULATIONS TO ALL NON-EU SoES?”

11.00 Welcome and Programme Overview

by Alan Lievens, EuDA Chairman and Paris Sansoglou, EuDA Secretary General

11.05 Opening Address

by Karel De Gucht, former Commissioner for Trade

11.20 Presentations

Trade Defence Instruments for goods and challenges for Services
by Frank Hoffmeister, DG TRADE Head of Unit H3 on Trade defence Investigations II, Anti-circumvention

State Aid Regulations and challenges for implementation to non-EU SoEs
by Bojana Dohms, DG COMP Unit E3 on State aid: Industrial restructuring

12.00 Discussions

European Commission
with representatives from DG CLIMA C3, DG COMP A2 and COMP A5, DG GROW A4 and from MOVE D1 and D2, DG TRADE B1.

Industry Representatives
representatives from EuDA, EIC, FIEC, ESPO, ECSA, SEA Europe.

12.25 Wrap-up and conclusions

by Paris Sansoglou, EuDA Secretary General

The workshop was well-attended and the two options discussed were found to be both feasible. However, the participants agreed that there is no silver bullet, meaning that a single measure or instrument is not sufficient to prevent unfair trade practices from entering the European market and each of the presented and discussed option has its own advantages and challenges.

During the workshop, the participants confirmed that there are gaps in the European legislation that allow competition distortions to occur inside the EU but also outside the EU with the support of EU funding. For example, due to the fact that the State aid regulations don’t apply to non-EU subsidised companies, European companies face a situation of possible “reverse discrimination” when competing against heavily subsidised non-EU State-owned Enterprises in the European Single Market.

The workshop discussions also confirmed that establishing TDI for Services would be a major challenge. These reflections progressively led EuDA to review and refine its strategic approach and consider narrowing down the scope of TDI to ‘*physical services*’, that can be defined as services delivering tangible outcomes in a geographically specific location (e.g. infrastructures),

like construction or dredging. Considering that there is no legal definition of *physical services*, EuDA further refined its reflection and opted for a sector approach with a regulation on **TDI for Construction Services**, for which there are precedents in the EU legislation (e.g. aviation and maritime transport).

Considering that that *there is no silver bullet* to tackle unfair trade practices from non-EU SoEs, considering the multitude of legislative gaps that need to be filled, EuDA developed its main strategy a “Toolbox Approach” where by a combination of instruments may achieve a better level playing field than each of these instruments individually.

Strategic Toolbox of Policies and Instruments

In framing and developing a strategy at the level of the EU aiming at protecting the dredging sector against unfair competition, the ideal situation would be to get third-countries to become signatories of the WTO on Government Procurement Agreement (GPA). With regard to China, its general attitude is not to sign any international treaty unless China is ready to benefit more than to lose. Therefore, with regard to the WTO-GPA, China is still in the accession phase. Nevertheless, China has been granted access to various procurement markets without reciprocating the (same) access in return.

From the scale and wide range of Chinese unfair trade practices faced by the European Dredging Contractors, it is clear that **there is no silver bullet** to tackle them inside and outside the EU.

It is also clear that **the EU needs to urgently fill the gaps and tackle the loopholes in its legislation**. To this end, with the help of its high-level advisor, EuDA developed a comprehensive approach comprising multiple instruments and policies: a **European Strategic Trade Toolbox**. This toolbox would build on existing instruments, adapt some or create new instruments necessary to give an adequate response to these unfair trade practices.

In its European Strategic Trade Toolbox, EuDA has identified the following instruments:

- 1° Minimum European content in EU funded projects: *the European Parliament has approved that there should be a minimum of 50% content for EU companies for each CEF funded project;*
- 2° an International Procurement Instrument *(to be adopted); Europe is missing an instrument to implement ‘reciprocity’. The proposal of an International Procurement Instrument (IPI) is aimed at allowing Europe to reciprocate treatment (where there is no*

access to a third country market, de jure or de facto, the same treatment for accessing the EU domestic market will be applied to this third country’s companies).

3° a Regulation on Trade Defence Instruments for Construction Services (new);

*So far, Trade Defence Instruments only exist for goods (under WTO and EU rules)). Despite their overwhelming economic importance (72.9 % of the total EU gross value added in 2019, Eurostat), Services are not protected under WTO rules from unfair trade practices (such as dumping or subsidisation) and consequently not protected under EU rules. A proper defence instrument is however needed. EuDA is supporting the creation of TDI for Construction Services. This would fall under the **Common Commercial Policy** exclusive competence of the Commission, which has in the past made such regulations to protect specific services sector (aviation and maritime transport).*

4° applicability and enforcement of EU State Aid regulations to all companies working in the EU (including non-EU SoEs);

in June 2020, the European Commission adopted a White Paper on “levelling the playing field as regards foreign subsidies”, dealing with the distortive effects caused by foreign subsidies in the single market. The Commission realised that: “Europe’s economy [...] (needs) the right

tools to ensure that foreign subsidies do not distort our market, just as we do with national subsidies”.

5° application in EU public procurement and all EU financed projects of the Green Taxonomy minimum ethical, environmental and labour safeguards on compliance to OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, to the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. These minimum safeguards should be applied to all EU financed projects (inside and outside the EU).

6° mandatory application of the EU-Commission “Guidance on the participation of third country bidders and goods in the EU procurement market” in particular, the part stating that there is “no secured access” for companies from countries that are not signatories of the WTO GPA and not signatories of an FTA with the EU), should be applied by default to improve level playing field.

Other instruments can be considered and added.

Strong Cooperation and Alliance with the Construction Associations

In 2019-2020, EuDA worked in close cooperation with the construction industry (FIEC and EIC) and started

implementing a joint lobbying campaign with regard to the TDI for Construction Services.

Issues and Lobbying activities in Australia



Background

In order to control and selectively authorise immigration, Australia introduced specific immigration programmes. The most commonly granted working visas are for hiring highly skilled workers in Australia. Work visas are often sponsored by the individual States or directly by Australian companies, recruiting to fit their specific needs.

As from 18th April 2017, the Australian Government replaced the existing 457 Visa with the Temporary Skill Shortage (TSS) Visa. The Skilled Occupations list accompanying the TSS visas has been substantially reduced. And this is of significantly more concern for the dredging operations as a number of skilled roles (such as Ship’s Master, Ship’s Officer and Ship’s Engineer) that were previously permitted are no longer available.

Impact on the European dredging companies

The changes introduced with the TSS will have a **significant impact** on the ability of the European Dredgers to mobilise and operate dredging and off-shore installation vessels to and in Australia as it **denies access of project-critical employees to work in Australia.**

With their highly innovative and technologically advanced vessels, European dredging companies require the presence of dedicated and experienced crew and staff onboard. The latter are employed on a full-time basis and are part and parcel of a sustainable operation system unique to each vessel type and size.

Overview of 2019-2020 Activities

In 2019, EuDA participated in a **Consultation Meeting** to review the Skilled Migration Occupation list with representatives of the –Stakeholder Strategy and Engagement- team. In **2020**, TF Australia participated in the **Stakeholder Consultation** exercise conducted by the Ministry of Employment on the Skilled Migration and in particular on the ongoing Occupation Lists review. EuDA made a submission requesting the re-introduction in the Skilled Migration Occupations Lists (SMOL) of the needed highly skilled crew onboard dredgers (including Ship’s Master and Ship’s Engineer). Thus far, the inputs of the stakeholders are being reviewed by the department.

Due to the COVID-19 pandemic, no further recommendations (based on the analysis the stakeholders’ contributions) have been made to the Australian Government. So no changes are to be expected in the short term and we remain as such in a

status-quo position with reference to the TSS Visas (482) and the corresponding Skilled Occupational List (SOL).

However, despite the COVID constraints, the EU-Australia Free Trade negotiations continued. EuDA confirmed the list of critical dredging occupations: "Dredge Master, Dredge Officer, Dredge Engineer". In September 2020, Australia indicated that four occupations previously removed from the Skilled Occupations List had been reinstated: Ship's Master, Industrial Engineer, Civil Engineer, Technician and Surveying Technician.

CCCC in Germany

Finally, it is important to report that the first participation of a Chinese contractor in a maintenance tender took place in Germany. CCCC Dredging Group managed to qualify in the Weser tender but was not awarded the contract. CCCC established a subsidiary in Hamburg with a broad scope of activities in and around construction.

The business purpose of the CCCC branch is: posting of workers for overseas construction; general contractor for port, waterways, road and bridge building; research and advice in the field of engineering; engineering planning, surveying, construction, supervision and procurement, delivery and installation of complete equipment and materials; general contractor for industrial and civil engineering, railways, metallurgy,

petrochemicals, sewer and electrical engineering, mining, water protection and municipal construction; general contractor for all types of professional shipbuilding; rental and repair of professional ship and construction machinery; professional towing and engineering services; technology consulting for complete equipment for shipping and ports; import and export; international technology cooperation and exchange; investments and management of logistics, transportation, hotel and tourism industries; design, installation, repair and technical development of subway transport, rail vehicles and equipment.

Next Steps

A lot of lobby work will need to be done towards the local government and authorities, as well as towards the unions. EuDA will continue to raise awareness and seek support from stakeholders including Australian port authorities.

It is now expected that sometime in 2021, a final proposal / recommendation will be presented to Government by the Department of Employment, Skills, Small and Family Business. The initial timeline has elapsed and has been further delayed due to the restrictions resulting from the COVID pandemic.



EUDA CHAIRMAN THANK YOU TO TASK GROUP ON US MARKET ACCESS MEMBERS

On behalf of the EuDA Board we would like to thank the members of the Task Group on US Market Access for their excellent work!

You have helped the Board define its strategy regarding the US and provided the Board with useful advice regarding the local legislation, political scene and best approach to open the market.

We started in 2013, and I was also member of the TG USMA. A lot of work has been done until 2018, and despite the significant progress with regard to the acceptance of our arguments, we did not manage a clear breakthrough. The seed has been planted though and I'm sure that in the near future European Dredgers will be allowed to bring added value to the US dredging market.

Thank you,

Alan Lievens - EuDA Chairman

The TG USMA members in 2018 were



David Luty
(Jan De Nul)



Mark Roelofs
(Van Oord)



Jaap Bogaards
(Boskalis)



Sofie Verlinden
(DEME)



Wouter Borghijs
(DEME)



Robert Poelhekke
(NABU)

THANK YOU, Sofie, Arthur and Martijn!

*On behalf of the EuDA newly created Market Access Committee, I would like to thank you: **Sofie Verlinden**, **Arthur Hol** and **Martijn Smouter** for your excellent work and your dedication to the dredging sector over the past years!*

Sofie, Arthur and Martijn were involved in identifying unfair trade practices by non-EU State-owned Enterprises (SoEs) and with their help and support, EuDA managed to build intelligence and develop a strategy to counteract many of the cases inside and outside Europe.

In 2011 already, we decided to respond to market access issues around the world through EuDA. At the time, I was chairing the Task Group on Indian Market Access. Today, unfair trade practices are crossing our borders and threaten the European Single Market.

Thanks to its new structure and the new Market Access Committee, EuDA is well equipped to respond to these threats and help level playing field prevail over unfair trade practices.

Thank you, Sofie, Arthur and Martin for your dedication and support to our industry, Farewell and success with your new endeavours!

Pierre Potvliege

MarCom Chairman

Strength and Fragility: nature's Conundrum

Industrial and economic development are progressively reaching the limits our planet's capacity to absorb the negative externalities associated with these activities (e.g. increasing pollution or depleting energy and biodiversity resources). The EU Green Taxonomy is defining the significant contributions to the environment required from all economic activities to restore the balance between the sustainability pillars (economy, ecology and society).

WE LOOK FURTHER. WE LOOK FOR SUSTAINABILITY.



ENVIRONMENTAL

1. European Green Deal

Background

Considering climate change and environmental degradation as existential threats to Europe and the world, Ursula von der Leyen, the President of the European Commission (2019-2024), also understood the need to turn these climate and environmental challenges into opportunities for Europe: the purpose of the new growth strategy is to transform the Union into a modern, resource-efficient and competitive economy. President von der Leyen made it the **top priority** of the European Commission to make Europe the first climate-neutral continent and to make its economy sustainable.

The **European Green Deal**, which is the EU Plan to improve Europe's environmental footprint, to fuel its economic growth and to improve its social and working conditions, was adopted in December 2019. Its main objectives include:

- no net emissions of greenhouse gases by 2050 (Paris Agreement commitments),
- decoupling of economic growth from resource use, and
- a just and inclusive for all transition (no person and no place is left behind).

On 4 March 2020, the European Commission proposed a **European Climate Law** to turn the political commitment of climate-neutrality by 2050 into a legal obligation.

Because it is the new top priority of Europe, EuDA reviewed its priorities and made the European Green Deal the top one. EuDA understands that:

- *the Green Deal is about **sustainable development** (covering economy, ecology and society);*
- *contributions are needed from all EuDA committees, i.e. EnvCom, SocCom and MarkCom;*

EuDA's work on the environmental aspects of the Green Deal in 2019 and 2020 included:

- *participation in the Green Taxonomy expert group;*
- *preparing papers on the EuDA CO₂ Strategy;*
- *preparing an analysis of the MKI (Milieukosten-indicator);*
- *drafting a report on the dredgers' contributions to SDGs.*

The papers on the EuDA CO₂ Strategy are dealt with in Chapter 4 of this document.

Sustainable Finance

The European Green Deal needs to be financed. Indeed, the transition to a sustainable economy will entail significant investment efforts across all sectors that both public and private financing frameworks must support to reach the 2030 climate and energy targets. Moreover, financial sustainability is also part of the challenge and particularly the increase of the financial resilience of the economy, companies and citizens. Sustainable investment will need an enabling framework, with appropriate tools and structures, such as those being prepared under the **Green Taxonomy** which will incentivise the "*financing of green activities*" and the "*greening of finance*".

Among the many complementary initiatives taken by the Commission in the context of the Green Deal, the **Green Taxonomy** and **Sustainable Financing** are two initiatives that may have a significant impact on the dredging industry.

Sustainable Financing is about *financing the European Green Deal and about increasing the financial resilience of the economy, the companies and the citizens.*

The transition to a sustainable economy initiated by the Green Deal will need to be financed and will entail

2019-2020
Members
of the EuDA
Environment
Committee

Pieter van der Klis
(EnvCom Chairman,
Van Oord)



Paul Vercrijse
(DEME)



Karel Allaert
(Jan De Nul)



Mark Russell
(BMAPA)



Chantal Schillemans
(Vereniging van
Waterbouwers)



Paris Sansoglou
(EuDA)



significant investment efforts across all sectors: it is estimated that reaching the current 2030 climate and energy targets alone would already require additional investments of approximately **€260 billion a year by 2030** (that is €2.6 trillion in 10 years). Both public and private financing frameworks must support such unprecedented efforts to reach the 2030 targets. The European Green Deal Investment Plan will mobilise at least €1 trillion of sustainability-related investments over the next decade.

“Climate change and environmental degradation are existential threats to Europe that need to be turned into opportunities for Europe”

Sustainable investment will need an enabling framework, with appropriate tools and structures, such as those being prepared under the Green Taxonomy which will incentivise the “financing of green activities” and the “greening of finance”.

To the Commission’s and EIB’s consultations on Sustainable Finance, EuDA highlighted the following key messages:

- mainstreaming nature-based solutions and more climate resilient solutions require to adapt the governance and decision-making process to consider long-term costs and benefits or life cycle analysis (sustainable public procurement);
- financial reporting should also include the positive impacts of their portfolio of activities, such as biodiversity gain (e.g. habitat restoration, preservation, new habitat creation, ...);
- specific staff (re-)training is necessary for public buyers/procurers to integrate long-term/LCA

components in the financial assessment of their performance/decision-making;

- the achievement of the Paris Agreement is conditional to the identification, development, production and global distribution of a (zero-emissions) non-fossil fuel capable of meaningfully replacing or substituting fossil fuels;
- during the transition, policy-makers and financial institutions should continue to support and encourage investments in climate mitigation initiatives (including LNG, biofuel or hydrogen propulsion or exhaust fumes treatment);
- by continuously investing in new knowledge and technology, European Dredging companies continue to provide their clients with renewed solutions for climate change adaptation (coastal, storm and flood defences), for climate resilience (including Building with Nature projects which implement Nature-based Solutions), for the restoration of natural habitats (e.g. seagrass, salt marshes, mangroves, ... which are natural

carbon sinks = Blue Carbon), for the development and management of offshore windfarms (renewable and clean energy) and for the decontamination of sea- and river-beds.

Green Taxonomy

The **Green Taxonomy** (Regulation 2020/852 on the “*establishment of a framework to facilitate sustainable investment*”) was adopted on 18/06/2020 and establishes criteria for determining whether an economic activity qualifies as environmentally sustainable for the purpose of establishing the degree to which an investment is environmentally sustainable. The risk for European industries is that their activities do not qualify as environmentally sustainable and cannot be financed in part or in all on the European financial market anymore.

EuDA successfully applied to become member of the Platform on Sustainable Finance. The European Commission established a **Sustainable Finance Platform**, composed of various stakeholders and experts, to advise the Commission on how to implement concretely the Green Taxonomy, including monitoring and screening criteria. EuDA proposed: Mrs Lara Muller. The Platform’s first plenary meeting took place in October 2020. EuDA sits in the Technical Working

Group which is the biggest group of experts and the most relevant as it will determine the screening criteria (of whether an economic activity is sustainable or not).

From this early stage, EuDA is of the opinion that the requirements under the Green Taxonomy and under the Sustainable Public Procurement should be aligned to facilitate and incentivise a dynamic process of transition towards the 2030 and 2050 targets.

Sustainable Development Goals

The SDGs are very high-level goals and the direct connection with industrial activities is often quite distant:

Given the high level of interconnection between the SDGs, EuDA grouped the goals into four main thematic areas, the “3 Ps” and an additional 4th thematic area:

- **People** (social issues)
Working Conditions and Quality-Health-Safety-Environment (QHSE);
- **Planet** (environmental issues)
Emissions optimisation, Building with Nature and Clean Energy;
- **Prosperity** (economic issues)
Waterborne Transport Infrastructures, Coastal & Flood, Protection Offshore Energy & resources and

Sustainable Public Procurement;

- **Responsible Business Conduct** (company behaviour)
Supply Chain and Responsible Business Ethics.

EuDA then started collecting examples and cases concretely illustrating the dredgers’ contributions to the SDGs.

EuDA’s analysis determined that the contributions of the European Dredgers as individual companies are defined by **what they do** and **how they do it**:

- Indeed, the project is what the dredgers do. The extent of the project’s contributions will depend on the project’s purpose(s) which will itself be the result

SUSTAINABLE DEVELOPMENT GOALS





of interactions (and possible partnerships) between local governments, local industries (including contractors, suppliers), financing institutions and local stakeholders (including citizens and NGOs).

- The way the project will be executed, how the dredgers do the project, will be determined by its design and its requirements (including environmental and social aspects).

Moreover, a distinction should be made between the Dredgers' contributions to the SDGs as individual companies and as a sector. EuDA reflected on its contribution as a sector and determined that

- **What EuDA does** is to interface between the dredging industry and the European administrations in order to improve level playing field, to promote higher sustainable practices and standards for dredging projects (including sustainable shipping, sustainable financing, sustainable public procurement, ...), to raise awareness about the range of innovative and Nature-based Solutions.

In fact, EuDA's contributions to SDGs stem from the facilitation and maximisation of the individual SDG contributions of its members by improving the European regulatory frameworks and governance and impose a broader scope of sustainability requirements in their publicly procured projects.

- **How EuDA does it** is referring to the steps taken by the secretariat to reduce its environmental footprint (digitalisation of documents, teleconferencing, teleworking, recycling of waste, ...).

2. Air Emissions

Most of the work on CO₂ and other emissions is coordinated and executed by a well-established EuDA working group dedicated to the Emissions from the EuDA fleet and functioning as the European Dredgers' central knowledge point on emissions. For a more detailed description of the activities of EuDA on this issue, please refer to Chapter 4 on "Climate Change and Coastal Defence".

Sulphur Emissions

Besides greenhouse gases (GHGs), EuDA followed closely the developments concerning the **sulphur content of marine fuels**. Concerning the other air pollutants, such as Particulate Matter or NO_x, EuDA continued its monitoring.

“In 2020, low sulphur marine fuels or technologies will be the norm for ships”

The Sulphur Directive, limiting to **0.10%** the sulphur content of marine fuels to be used in designated SO₂ Emission Control Areas (SECAs), was adopted by the European Council in 2012. The Directive finally entered into force on **01/01/2015** (in line with the Annex VI of the MARPOL Convention) and applies to the North Sea, the English Channel and the Baltic Sea.

In a landmark decision, the Marine Environment Protection Committee (MEPC) of the International Maritime Organization (IMO) set **01/01/2020** as the date for ships to comply with low sulphur fuel oil requirement of a global sulphur cap of **0.50%** m/m

(mass/mass) outside the Emission Control Areas (ECAs), such as the Baltic Sea and the North Sea (and English Channel). This IMO decision represents a significant cut from the current 3.5% m/m global cap and demonstrates its commitment to ensure that shipping fulfils its environmental obligations.

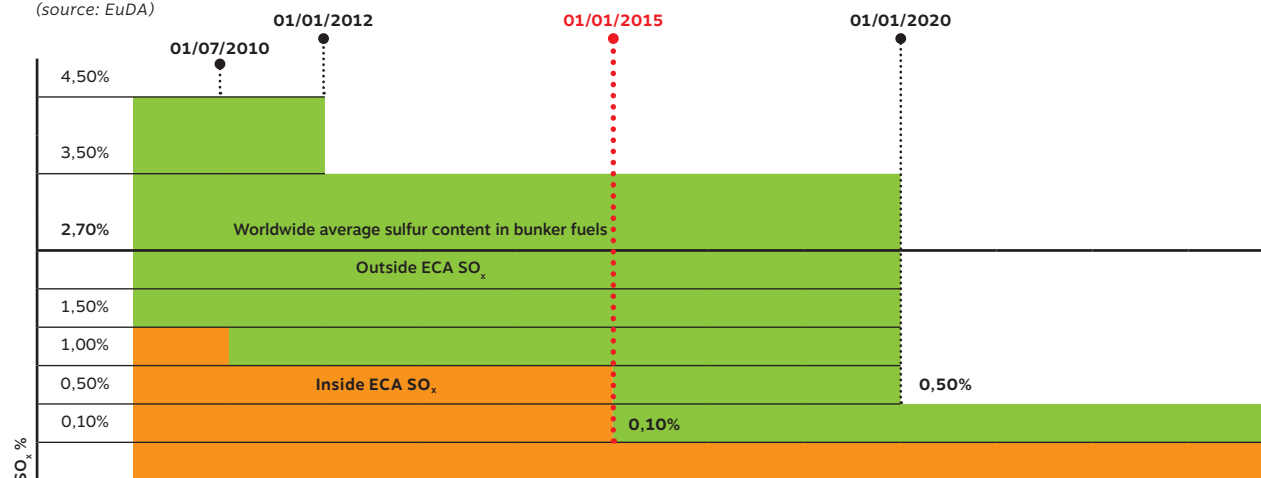
3. Habitats and Biodiversity

The Birds and Habitats Directives are the cornerstones of Europe's nature conservation policy. They are built around two pillars:

- Natura 2000 network of protected sites;
- System of species protection.

Sulphur Limits Evolution 2010-2020

(source: EuDA)



Because of the potential conflicts between transport and environmental policy objectives, the implementation of infrastructure projects such as dredging, often suffers from significant delays, uncertainties or even blockage. EuDA has identified and contributed to the Commission's technical working groups on the implementation of the Habitats Directive in Coastal, Estuary and River environments (*"The implementation of the Birds and Habitats Directives in estuaries and coastal zones, with particular attention to port development and dredging"* and *"Inland waterway transport and Natura 2000: Sustainable inland waterway development and management in the context of the EU Birds and Habitats Directives"*). Each working group delivered guidelines in which (maintenance) dredging is referred to as a measure that could be designed in such a way as to achieve or respect both environmental and navigational objectives.

IMO Ballast Water Convention

The IMO Ballast Water Management Convention (BWM) was **ratified** in 2016 and entered into force in 2017.

In 2017, EuDA was informed of an interpretation issue by the UK Marine and Coastguard Agency (MCA). EuDA reactivated its **Ballast Water Task Group** (BW TG) in 2018 and quickly assessed that the issue was local and

the solution came from exchanges of interpretation with the Flags of Belgium and Netherlands.

The BW TG took the opportunity to work on the harmonisation of the concepts and definitions used in the Ballast Water Management Plans onboard dredgers. The BW TG completed its work in 2019 by producing a **Policy Paper** (publicly available, for the information of selected Flag State administrations and their recognised organisations) and a **Technical Paper on Ballast Water and Sediment Management**, that provides the EuDA members with guidelines on how to comply with the BWM at all times. The BW TG was closed.

When looking for compliance to the IMO BWM, there are two distinct operational situations: operations during a project and operations when leaving a project or sailing towards one (mobilisation-demobilisation).

4. The revised Waste Framework Directive

*"In the majority of cases, **dredged material is not a waste but a resource to put to beneficial use**".* Although effective, this situation is not sufficiently known nor recognised by the policy makers and legislators across Europe.

At EU level, EuDA's campaign convinced the Commission to remove dredged sediments from the scope of the

2008 revised 'Waste Framework Directive' (WFD) (unless proven hazardous). The European Directives, though, are not immediately law (like the European Regulations) but need to be transposed into national legislation. Therefore, EuDA's focus included the EU Member States. There is a significant difference in the implementation of the Waste Framework Directive into the Member States' national legislation. As it appears there is some sort of divide between some Northern and some Southern EU countries.

Roadmap to a circular economy

The concept of 'Circular economy' was progressively elaborated by the European Commission's DG Environment to stimulate the re-use/re-cycling of waste with the general motto that *"waste is a resource to be put to beneficial use"*.

Amendments were made to the text on the landfill of waste to implement the Circular Economy approach and introduced restrictions to the landfilling of waste suitable for recycling or energy recovery.

"In the majority of cases, dredged material is not a waste but a resource to put to beneficial use"

5. Water & Marine Strategy Framework Directives

The Water and Marine Strategy Framework Directives are the cornerstones of Europe's water policy. They are built around the following concepts:

- River basin management (cross-border);
- Good Ecological Status (water quality);
- Good Environmental Status (including human activities).

The main objectives of these European legislations are the protection of all waters (surface, ground) as well as the marine environment across Europe. To achieve these objectives, they used the so called "combined approach" of emission limit values and quality standards. The Marine Framework Directive is the more recent of the two and the timeline of its first loop includes: the completion of the Member States' respective monitoring programmes in 2014, then their programmes of measures in 2015 with the ultimate goal of achieving the Good Environmental Status (GES) in 2020!

Among the many issues dealt with under the Water Framework Directive, there are similar and new ones with the Marine Framework Directive:

- Selection and implementation of the Measures (Descriptors), their Monitoring and adaptive Management;

- Integration and further development of the Shipping activities;
- Clarification of the handling of contaminated/uncontaminated sediments.

The Marine Strategy Framework Directive (**MSFD**) aims at "filling the gaps" left by the Water Framework Directive: for instance, the geographical scale is not restricted anymore to the coastal waters. Moreover, MSFD broadens the scope of water quality assessment by enlarging the "Good Ecological Status" (mainly chemical assessment of the water quality) to the "Good Environmental Status" (**GES**), introducing the human activities impacts on water quality and ecosystems.

Under the Integrated Maritime Policy, the Maritime Spatial Planning and Integrated Coastal Management present the main policy elements of Europe's coastal management. With 80% of the largest population centres located in coastal areas, this new policy is a response to the increased demand for use of the coasts and the seas.

The main issues for dredging include the need for both 'winning areas' and 'relocation areas' (sand, rock, gravel, silt ...). Besides, Member States need a common framework but also flexibility (in space, time and policy) for implementation.

EC Reports on Regenerating our Ocean and Waters by 2030, and on Nbs Projects

During the Summer 2020, the European Commission's Mission Board Healthy Oceans, Seas, Coastal and Inland Waters published its Interim report on "*Regenerating our Ocean and Waters by 2030*".

*NB: the scope of the mission of the Mission Board Healthy Oceans, Seas, Coastal and Inland Waters includes "Protecting and restoring our ocean and waters" by tackling the "Unsustainable human footprint" (which includes *Pollution-Unsustainable fisheries and aquaculture-Unsustainable coastal and maritime tourism*).*

There was a lot of discussions and worries regarding the document, because the authors recommended, in order to achieve the objective of "Zero-pollution by 2030" (good ecological status as prescribed in the Marine Strategy Framework Directive), that all dumping of dredged sediments has to stop by 2025.

In this discussion, it is important to highlight that

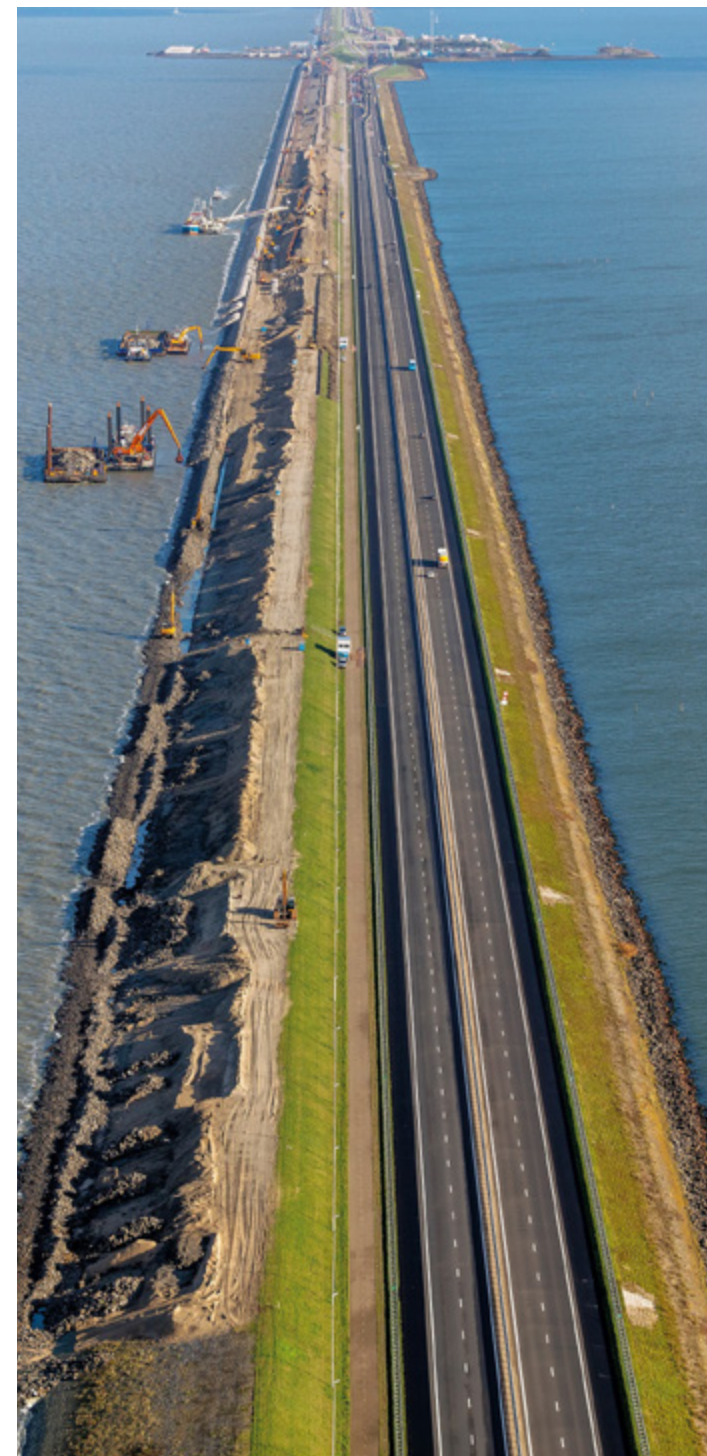
- "*Most of the soils that are handled by dredgers are inert (silt, sand, pebbles, cobbles, boulders and rock)*"
- contaminated sediments (mostly clays and muds and in a lesser extent silt) are properly handled (if polluted soils need to be dredged, they are cleaned or stored and capped in dedicated locations).

It is remarkable that the authors of the report propose solutions to stop ocean and river pollution but completely overlook the key role the dredgers can play in decontaminating seabeds and riverbeds. They refer to climate change without considering the key role of dredgers in preventing its undesirable consequences/ threats **“Sea level rise [...] extreme weather events and coastal erosion”**.

As mentioned in the PIANC response to the Commission, EuDA would like to highlight the positive contributions of the dredgers to the Oceans’ Health, through the making available and effectively managing sediments, including:

- the blue carbon potential in the restoration of marine vegetation;
- nature-based solutions, design of new green/blue infrastructure and ecological engineering methods;
- the provision of coastal protection and sea level rise and flooding mitigation services of vegetated marine ecosystems, which regulate water quality, provide critical habitat for many marine species ... enhancing system biodiversity and resilience ...;
- restoring surface water body hydro-morphology and improving biodiversity.

“Most of the soils
that are handled by dredgers
are inert”







EUDA CHAIRMAN THANK YOU TO TASK GROUP ON BALLAST WATER MEMBERS

On behalf of the EuDA Board we would like to thank the members of the Ballast Water Task Group (BW TG) for their excellent work!

You have provided the Board with useful advice regarding issues with ballast water.

You have produced a policy paper and a very practical guidance on “Ballast Water and Sediment Management for Dredgers” in which you have explained how hoppers dredgers and stone dumping vessels can maintain compliance at all times with the BWM Convention.

Thank you,

Alan Lievens - EuDA Chairman

The BWTG members in 2019-2020 were:



Arjan Schrijen
(Boskalis)
Chairman



Piet Jan van der Giessen
(Boskalis)
Chairman



Jan Tilman
(Van Oord)



Hendrik Vanneste
(Jan De Nul)



Paul Vercrujssse
(DEME)



Paris Sansoglou
(EuDA)

EUDA 2019 ANNUAL CONFERENCE (14 NOVEMBER 2019)

Conference's overview:

Public procurement is the process by which public authorities, national, regional and local, purchase work, goods or services from companies at all stages of a project. In total, public procurement accounts for 15-20% of global GDP and represents a substantial portion of the EU economy and of many other economies around the world.

Transport infrastructures, including waterborne infrastructures represent a significant portion of EU public procurement. The Connecting Europe Facility (CEF), for instance, which is a key EU funding instrument for investing in infrastructures, has allocated €23.7 billion out of €30.4 billion for Transport infrastructures.

In addition to the primary function to be procured, public authorities are progressively introducing specific requirements in their public tenders that aim at reducing environmental impact throughout the life-cycle of their procured goods, services and works. This process can be qualified as Sustainable Public Procurement, when additionally to purchasing work, goods or services, it also seeks to achieve the appropriate balance between the three pillars of sustainable development (economic, social and environmental). The EU 'Green Deal' may well accelerate this process and generalise it throughout Europe.

Moreover, a key dimension in this approach is the sustainable financing of the public authority, which, if overlooked, can open the gates to a debt trap for the unsuspecting administrations. There is more and more evidence that the unfair tied financing practices by State-owned Enterprises (SoEs) from third countries, especially from China, are closing down dredging markets around the world and getting closer to Europe. In Europe, the main competition distortions from third countries stem from the unchallenged access of their EU State Aid non-compliant SoEs to European public procurement markets.

Well-designed requirements for Sustainable Public Procurement can provide opportunities to effectively improve the level playing field inside and outside Europe as well as focus on the quality of the infrastructures, long-term value for money and lifecycle costs (rather than price only).

With their long-term investment in technology and novel approaches, such as Building with Nature, European Dredgers are providing significant added value to the European and Global economy, ecology and society when executing waterborne infrastructure projects. They reflected jointly with speakers from the European Commission, the International Institute for Sustainable Development and the Dutch administration on how to

possibly shape requirements on sustainability in public tenders in order to provide a better level playing field and long-term added value. The speakers presented their respective strategies on sustainable public procurement highlighting the points of view from the policy, funding and implementation sides. The Keynote Speaker Karel De Gucht gave the closing address that opened the floor to lively discussions and a constructive debate.

Sustainable Public Procurement of Waterborne Infrastructures

■ Welcome and Opening

Mr Alan Lievens, EuDA Chairman

■ Introduction to the Conference Theme and Speakers

Mr Paris Sansoglou, EuDA Secretary General,
Conference Moderator

■ European Commission's Strategy for Sustainable Public Procurement - Policy

Mrs Anna Lupi, Policy Officer, DG GROW Unit on
Public Procurement Strategy

■ IISD's Strategy for Sustainable Public Procurement - Financing

Mrs Oshani Perera, International Institute for
Sustainable Development, Director, Public
Procurement and Infrastructure Finance Programm

■ Dutch Strategy for Sustainable Public Procurement - Implementation

Mr Maarten Neelis, Rijkswaterstaat (The Netherlands),
Directeur Markt in Transitie

■ Keynote Closing Address - Call for Action

Mr Karel De Gucht, Former European Commissioner
for Trade, Belgian Minister of State and President of
the VUB Institute for European Studies

■ Open Discussion and Conclusions

Summary of the Conference's key messages:

Sustainable Public Procurement for Waterborne Infrastructures Strategies for Policy

- The rising challenges in today's world include: climate change adaptation and mitigation, the increasing influence of populism vs democracy and its root causes, as well as the role of technology in societal progress; one important economic instrument for governments is public procurement, that represents 14% of the EU GDP; if used strategically, public procurement has huge potential and can provide key opportunities for Europe to tackle the root causes of many of the above-mentioned global challenges;
- the European Commission published in October 2017 its Communication on 'Making public procurement work in and for Europe' (COM(2017)572); in this document, the Commission identified 6 priority areas for action :
 - boost strategic procurement;
 - professionalise public buyers;
 - increase access to procurement markets;
 - improve transparency, integrity, data;
 - boost the digital transformation of PP;
 - cooperate to procure together;
- Strategic Procurement considers public procurement as a policy instrument that can, in addition to its primary purpose, pursue priority goals, such as reducing environmental and climate impact (of public purchases),

social & professional integration, social & labour law compliance, human rights due diligence, promoting equality; Strategic Procurement aims at promoting sustainable growth and development in an open, non-discriminatory and transparent public procurement market; Strategic Procurement can also be used to promote these core European Values in the other parts of the world;

- to be effectively implemented, Strategic Procurement needs:
 - a legal framework providing the technical specifications and award criteria that will restrict decisions based on price only and impose practical and effective sustainability criteria (including ecological, social and economic aspects) in the decision-making process;
 - specific education and training to help public buyers to acquire the necessary soft skills, as well as to understand the market and its products/services;
 - an adapted governance, or even a **governance mind shift**, is needed to facilitate the right decision-making to purchase both assets and asset expertise; it is important to provide the right governance frame for a shift from pure asset procurement to performance-based procurement, for a shift from monopurpose infrastructures to multipurpose infrastructures (providing added value to the local/national economy, ecology and society);

- a huge step forward came from the **EU guidance** on participation to public procurement from third Countries; this guidance specifies that there will be no secured access for companies coming from countries that have not signed a free trade agreement (FTA) with the EU or that have not signed the WTO Government Procurement Agreement (GPA); in other words, this means that companies can be excluded from tendering for no other reason than coming from countries not signatories of an EU-FTA or WTO GPA;

Strategies for Financing

- one of the major hurdles to 'sustainabilising' public procurement stem from the availability of budgets and other sources of financing; for instance, infrastructures need to be adapted to climate change and the estimated **global infrastructure gap** for the period 2013-2030 amounts to 90 Tn US\$; in some cases, delaying or not building the necessary infrastructure can have serious financial consequences locally: indeed, in some vulnerable areas, the estimated risks are so high that insurers (and reinsurers) refuse to cover them and these insurance issues can significantly affect local individuals as well as businesses;
- budgetary limitations should not be the excuse for keeping buying cheap and paying manifold the acquisition price over the lifetime of the asset: in most

cases, the cheapest solutions at the point of purchase or procurement also mean a more expensive asset to own and manage; by considering the **total cost of ownership**, sustainable public procurement offers long term opportunities and allows decisions to take into account innovative financing instruments (including blended capital), the sharing of risks and the selection of innovative and sustainable solutions; risk sharing often translates into sharing the financing; one possible way forward for public administrations can be found in the Design-Build-Finance-Maintain-Operate (DBFMO) contracts; progressively, the costs of climate change mitigation (with combinations of grey/green/blue infrastructures) will be internalised in new valuation approaches; Public Sector Accounting Boards allow the inclusion of 'natural capital' as **tangible capital assets**;

- by aiming at learning lessons from the past (and avoiding repetition of mistakes), Europe can improve the level playing field in its internal public procurement market

**“Value for money:
the cheapest asset to buy is in
most cases not the cheapest asset
to own and manage”**

and tackle the issue of **abnormally low tenders**; by developing criteria of sustainability with ex-ante assessment and ex-post evaluation, Europe can further refine, elaborate and improve its assessments and price/quality ratios of the **most economically advantageous tenders**; although the main difficulty remains how to properly compare the quantitative and qualitative aspects;

- as world leaders, European dredging companies have developed a significant expertise and a global competitive advantage in innovative solutions such as **Nature-based Solutions** (NbS¹); however, in order to mainstream NbS, financing should also become part of the European competitive advantage; in order to do that, it is important to realise that the financing of NbS needs predictability, comparability and certainty, with or without blended capital;

Strategies for Implementation

- the Netherlands plans to reduce by -49% its CO₂ emissions by 2030, with as its ultimate objective to achieve climate neutrality and circularity (circular economy) by 2050; as a consequence, the Dutch **green public procurement** is evolving from technical solutions to functional (focusing on the infrastructure performance with a technology-neutral approach);
- the **Dutch strategy** towards climate neutrality aims to

be clear and long-term; this strategy aims at enabling the Dutch administration to act as launching customer in innovations, to stimulate the front runners and to actively support knowledge and innovation; in this approach, it is essential that the public procurement processes reward the frontrunners with the lowest environmental costs (for instance with discounts) and at the same time avoid rewarding the non-participating (e.g. US, China); moreover, it is also important to force the standards up, requiring the delivering of work on time and within budgets, with CO₂ targets to be defined soon (by the Dutch administration's own climate neutrality instrument: Dubocalc); the **contracts** should cover content and process, stay technology neutral, and stimulate investments in fuels/energy for the future;

Strategic Considerations on International Trade

- following the realisation of the systematic and broad-ranging acquisition of strategic European assets, companies and technologies by Chinese companies (e.g. the German jewel of robotics KUKA), a mind shift occurred in Europe with regard to EU-China relations that led the European Commission to **identify China as a “systemic rival”** and to propose to take action on:
 - addressing **foreign State ownership and State financing** that significantly distort competition in

the EU internal market and restrict access to third country markets;

- reforming the **WTO subsidies** and forced technology transfers;
- promoting **reciprocity** and opening up procurement opportunities in China by adopting the **International Procurement Instrument (IPI)** instrument by the end of 2019;
- ensuring that **not only price** but also high levels of labour and environmental standards are taken into account;
- the **State Aid Regulations** have helped European Member States to progressively move away from operational aid and more effectively apply market economy principles; however, these regulations are not applicable to all companies active on the EU territory: they do not apply to non-EU companies and create a reverse discrimination in Europe favourable to the heavily subsidised non-EU companies; these regulations should be complied to by all companies active in Europe or benefitting from EU funding; the current procedures should be revised to be applied to non-EU companies, with the burden of proof reversed: e.g. in the specific case of non-EU State-owned Enterprises, the access to the European public procurement should be conditional to effective demonstration of their full compliance to the EU State

Aid Regulations;

- both in WTO and EU law, there are **no effective instruments** against unfair trade practices, such as dumping and illegal subsidies, that distort competition in trade in services; this gap could be filled by applying to the services the same procedure as under the Trade Defence Instruments and currently only applicable to goods; the creation of new **Trade Defence Instruments** for Services should be considered as a vital priority for Europe;
- moreover, the EU has the authority of its own to introduce such an instrument because it has exclusive competence over the **common commercial policy and international trade**; as stipulated in Art 207 TFEU: “*The common commercial policy shall be based on (...) measures to protect trade such as those taken in the event of dumping or subsidies*”; so within this remit, the EU acts as a sovereign and is the only one to decide and/or act unless it is explicitly prohibited or stipulated otherwise;
- as the current public procurement directives do not contain a definition for **abnormally low tenders**, the Member States and their respective contracting authorities have to determine their own definition and apply their own criteria; however, this also means that these authorities are in a situation of being both ‘judge and party’, as it is their interest to get the procurement

executed as cheaply as possible; in practice, this means that the contracting authorities will tend to apply a price only approach and not to scrutinise in too much detail the bids that fall well within their budgetary limits; this also means that the doors of the EU public procurement markets are open to heavily subsidised non-EU State-owned Enterprises (SoEs) that do not have to comply to the EU State Aid regulations; in the case of Chinese SoEs, not applying market economy principles, abnormally low tenders are part of business as usual until they have reached a monopoly or oligopoly, meaning that the targeted markets are fully under the control or influence of one or several of their SoEs;

- the current procedure for Trade Defence Instruments works because industry can activate it: for instance, when a representative sample of an industrial sector (e.g. 15% or more) hands in a complaint to the Commission, the latter has to act, investigate and take the appropriate measures; the same trigger mechanism should be considered when introducing the new defence instruments, such as TDI for services or abnormally low tenders

Conclusions

- the currently changing winds of trade are inciting Europe to take a more appropriate set of actions; **Europe can seize this opportunity**, as its companies still have competitive advantages, including in environmental

and technological knowledge;

- **sustainable public procurement** is strategic and should be also used as a policy instrument;
- Europe is the largest donor in the world and its **development financing and aid**, inside and outside Europe, should be granted to companies complying to a minimum set of European rules, ethics and values;
- the future of the European sustainable public procurement depends on setting the right framework and set of requirements that will award tenders only to companies that respect and apply the same European (environmental, social and economic) values, ethics and rules;
- Europe needs to tackle the **unfair trade practices** that distort competition in its own territory and apply the same competition rules, including State Aid Regulations, to all companies active in Europe; while subsidies are difficult to prove, the burden of proof should be reversed and compliance with State Aid regulations should be demonstrated in the specific case of non-EU State-owned Enterprises before they can access the EU Internal Market;
- finally, sustainable public procurement offers long-term opportunities for which a governance mind shift is needed towards performance-based procurement and multipurpose infrastructures and for which a broader partnership is needed to share knowledge, risks, financing and benefits.

“Smart and sustainable infrastructures should be innovative and performance delivering infrastructure”



PARTICIPANTS AND GUESTS AT THE EUDA 2019 ANNUAL CONFERENCE

Held every year around the 15th November in Brussels, the EuDA 2019 Annual Conference took place in the Stanhope Hotel in Brussels. It gathered eminent representatives from the industry, the European and national administrations as well as other key stakeholders.



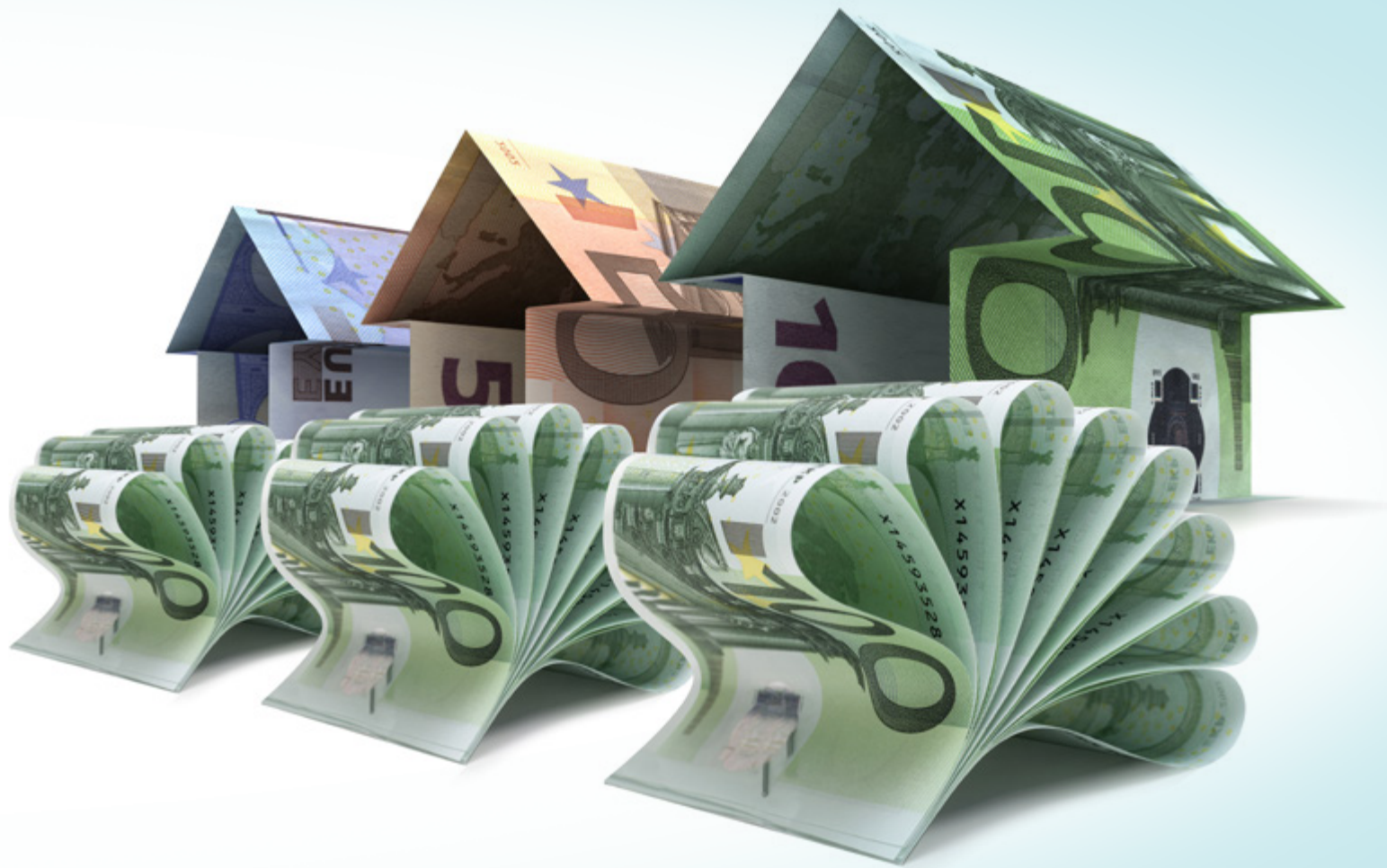
Strategies
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Building Protections against imminent Global Threats

Climate Change is accompanied by an increasing number of threats to natural habitats, human beings and economic assets (e.g. sea level rise and increased frequency of extreme events). Dredgers have the technology and know how to provide sustainable solutions to reduce or eliminate the risks posed by these global threats.

WE LOOK FURTHER. WE LOOK FOR SUSTAINABILITY.



CLIMATE CHANGE AND COASTAL PROTECTION

From its inception, the **Emissions Working Group** (EmWG) of EuDA worked towards establishing and implementing the EuDA common **CO₂ Strategy**. The main objective of the CO₂ Strategy has been to improve internal and external understanding over the CO₂ emissions from the EuDA dredging fleet. Besides CO₂ emissions, the EmWG's scope includes since 2017 the other emissions from dredging vessels.

With the consistent promotion of its CO₂ Strategy, through position papers, consultations, presentations, specialised articles, meetings, EuDA managed to raise the awareness of officials and representatives from the European Commission, the European Council (through the Member States) as well as from IMO on the views and main recommendations of the European Dredgers with regards to CO₂ matters.

In 2019-2020, EuDA pursued the implementation of its CO₂ Strategy and focused on finalising the update of its Report of the Task Group on Emission Figures for which a dedicated TGEF workshop was organised in 2019, and the communication of the TGEF findings (Policy Papers and Technical Reports), the lobbying of IMO (regarding the Data Collection System) and of the EU (regarding the Directive on Monitoring, Reporting and Verification).

EuDA CO₂ Strategy

The main objective of the CO₂ Strategy has been to build a better understanding over the CO₂ emissions from the EuDA dredging fleet. From the start in 2009, the group established a procedure and methodology for the collection of raw data for the calculation of CO₂ emissions. The Strategy also involved raising awareness in the International Maritime Organization (IMO).

The implementation of the EuDA CO₂ Strategy involved information gathering, internal knowledge building and specific message formulation to selectively communicate our issues to the relevant parties. Besides the contacts within the Member States, EuDA has kept regular contact with the Commission's DG CLIMA, informing the Officials and making them aware of the specific situation of the dredgers.

In the context of the Green Deal, on 20/02/2020, EuDA joined representatives of Inland Navigation Europe (INE), the Central Commission for Navigation on the Rhine (CCNR) and PIANC (main waterborne infrastructures organisations) in a meeting with DG CLIMA to discuss the Commission's **Climate Adaptation Strategy**. The meeting was very constructive and the idea of further exchanges on *Nature-based solutions for climate change adaptation in relation with sustainable*

Paul Vercrujse
(EmWG Chairman
DEME)



Arjan Schrijen
(Boskalis)



Jan Tilman
(Van Oord)



Karel Allaert
(Jan De Nul)



René Kolman
(IADC)



Paris Sansoglou
(EuDA)



2019-2020
Members
of the
EuDA Emissions
Working Group

“Fact-based information
is crucial to legislators
to make
informed decisions”

public procurement with experts was considered but not pursued after the outbreak of COVID 19.

Industry-backed calculation method for CO₂: data update and review

In their joint Statement to IMO in 2010, EuDA and IADC informed that the Energy Efficiency Design Index (EEDI), as it stood, could not be implemented to the dredging vessels and proposed an alternative industry specific approach to reach the same goal. The Task Group on Emission Figures (TGEF) was established in the summer 2010 to substantiate and materialise these commitments.

The TGEF compiled a set of fact based emission figures for the EuDA dredging fleet and established a transparent industry backed calculation method. The findings and results were presented in a confidential Executive Report (TGEF 2012 Report) and its technical data annexes. Considering that the TGEF 2012 report was based on data from 2010, it was decided by the EuDA Board to update it with the most recently available data (2017).

This updating of the report also allowed to check the evolution and trends and confirmed that performances improved by 15% in 20 years for the 103 TSHD, 63 CSD

and 30 BHD in the 2017 dataset (compared to the 2010 dataset). Moreover the calculation methods remained unchanged.

The TGEF Report was discussed in a EuDA internal strategic Workshop and finalised in 2019. Based on the main conclusions of this workshop, the EuDA communication strategy on CO₂ emissions was also revised and updated.

Structuring communication and combining of policy and technical aspects

The main purpose of the EuDA Communication Strategy on CO₂ emissions is to improve the understanding outside EuDA (including European and national administrations, clients, selected international Organizations, ...) of the CO₂ emissions from the EuDA dredging fleet. This strategy was based on the findings of the updated TGEF Report.

Communicating outside EuDA on such issues is proactive, timely and takes into account the growing trend among European public administrations to include CO₂ emissions (performance) in the requirements of the future tenders. However, it also requires care and caution: *as each dredging project has unique conditions and constraints, the application of the*

industry-backed methodology varies with each project.

The communication outside EuDA essentially aims at improving the understanding of the authorities and project owners on how to realistically apprehend dredging CO₂ emissions but also, as a consequence, at improving the level playing field during the tendering phase. Indeed, when wrongly taken into account by consultants because dredging processes are misunderstood, or when the calculation methods are neither fair nor transparent, the resulting CO₂ requirements in tenders represent a potential threat to the industry.

The general approach of the EuDA CO₂ Strategy when communicating towards or lobbying the national administrations (including the representatives in the European Council) is to make as much use as possible of the existing national communication channels: for instance, when lobbying a national administration (e.g. MinlenW or Rijkswaterstaat), national dredging association (Vereniging van Waterbouwers) should take the lead, if it does not exist, the local dredging companies should. EuDA's role is to coordinate the messages, to keep them consistent at European/international level and to provide local lobbying support when necessary.

Having established a transparent industry-backed methodology for each of the main dredger types, EuDA's aim with this internal knowledge was to also improve the understanding outside EuDA (European and national administrations, clients, selected international Organizations such as IMO, CEDA and PIANC) over the CO₂ emissions from the EuDA dredging fleet.

In order to convince the project owners to apply these methods for the determination of realistic CO₂ performance thresholds (below which marine works projects should remain) and thereby maintain the level playing field in the industry, EuDA's revised approach was to coordinate the core messages. On the basis of these core messages, the individual EuDA members (companies or organisations) can take the initiative to customise the content to specific projects and communicate to their selected clients and/or authorities in order to help them to make realistic CO₂ requirements.

Following the TGEF internal workshop on "*Methodologies and Tools for Dredgers' CO₂ Emissions*", the EmWG revised its communication approach as follows:

- prepare a **policy paper** (and a **1-pager**), explaining the principles of the calculations and providing recommendations to policy and legislative administrations;
- prepare **three (internal) Technical Reports**, that will provide guidance to the EuDA members on how these principles can be effectively applied to projects executed with TSHDs, CSDs and/or BHDs; such technical papers would provide a harmonised basis for input to the more detailed discussions between contractors and their national or flag authorities and with their interested clients.

This revised approach was approved by the EuDA Board. The main work on these technical papers was completed in 2020.

EuDA CO₂ emission figures 2019

As part of the EuDA CO₂ Strategy, the Emissions Working Group has collected and compiled the 2019 data for the CO₂ emissions of the European dredging fleet.

Since before the 2015 Paris Agreement to achieve the 1.5°C target and in the context of the EU Green Deal commitments to achieve Climate Neutrality by 2050, EuDA members have been actively researching alternative options to fossil fuels. They all took individual steps, testing pilot initiatives (LNG propulsion, biofuels and "fumes treatment") to lower not only the CO₂ emissions but also NO_x, CO and fine particles. Under the EuDA umbrella, they jointly organised a strategic

workshop on energy transition towards a carbon-neutral footprint. Moreover, EuDA has finalised its second Report of the Task Group on Emission Figures (TGEF) and has finalised a policy paper and technical report to fine tune the communication of the findings and main messages from the TGEF Report.

In absolute numbers, the world seagoing dredging fleet was estimated to have produced 6.3 Mton of CO₂ in 2008. The emissions of the European Dredgers (EuDA members) in 2008 were about 3.4 Mton. From 2009, the European dredgers' CO₂ emissions continuously dropped to 2.7 Mton in 2014. In 2015, the emissions raised to 3.0 Mton mainly due the surge of activity linked to the expansion of the Panama and Suez Canals. In 2016 and 2017 the EuDA fleet emissions went back down to a level around 2.4 Mton (below the level of 2014) and rose to 2.5 Mton in 2019.

The growth of the global economy has been slowing down since the financial and economic crises in 2008, with the world GDP in constant prices contracting to 2.8% in 2019 (from 5.4% in 2010). After 2014, the variations between the ratios of constant and current prices growth

Table 1: EuDA fleet CO₂ emissions (2010-2019) source: EuDA

EuDA Sea-going dredging equipment			
Global operations	Installed power MW	Fuel consumption kton	CO ₂ emissions kton
2010	1,591	999	3,155
2011	1,779	1,003	3,163
2012	1,845	986	3,108
2013	1,666	881	2,775
2014	1,599	847	2,673
2015	1,298	959	3,033
2016	1,264	751	2,371
2017	1,516	777	2,449
2018	1,421	675	2,134
2019	1,564	768	2,430

European operations	Installed power MW	Fuel consumption kton	CO ₂ emissions kton
2010	654	420	1,326
2011	637	357	1,126
2012	502	284	896
2013	527	220	696
2014	531	229	724
2015	409	223	713
2016	306	207	663
2017	369	195	624
2018	485	238	763
2019	500	214	682

“Fact-based information is crucial to legislators to make informed decisions”



rates indicate issues with global inflation-deflation. Since 2017, the growth of the global economy was positive both in current prices and in constant prices. The global economy is restarting a new upper trend. However, in 2018 and 2019, the growth in current prices (respectively 14.5% and 15.2%) was significantly higher than the one in constant prices (3.5% and 2.8%), showing signs of overheating and speculation that could be linked to the trade war between US and China, that significantly impacts global trade and world GDP.

A. Evolution of the EuDA fleet CO₂ emissions

The general trend in Graph 1 confirms that the worldwide CO₂ emissions of the European Dredgers are steadily decreasing for the last 10 years. The reduction in the CO₂ emissions can be partly attributed to the medium-term effects of the 2008 economic crisis, that reduced the occupation rates. However, with the surge of activity due to Suez and Panama, the global emissions of the European Dredging fleet in 2015 raised to the level of 2012. Inside Europe, a similar peak occurred in 2010 corresponding to the peak of activity for the reclamation of Maasvlakte 2 in the Netherlands. The level of CO₂ emissions in Europe is still decreasing nearing the 600 ktons of CO₂, well below 2008. 2019 emissions at 2.5 Mt were still below the figures of 2014



and confirmed the general downward trend of the European Dredgers' emissions

These figures also confirm that steady progress on CO₂ emissions per m³ (relative CO₂ emissions) is achieved by the European Dredging industry. However, absolute CO₂ emissions achievements cannot be disconnected from global activity in general and sector activity in particular. The achievement of absolute CO₂ emissions

targets demands a Sector Strategy that combines relative efforts on emission (CO₂ emissions per m³) with actions on atmospheric CO₂ concentrations through offsetting measures such as the restoration of blue carbon habitats.

European Sustainable Shipping Forum (ESSF)

The European Sustainable Shipping Forum (ESSF) is a forum established by the Commission for structural

dialogue, exchange of technical knowledge, cooperation and coordination between the Commission, Member States' authorities and maritime transport stakeholders on issues pertaining to the sustainability and the competitiveness of EU maritime transport. It was first established in 2013 for a period of 5 years and its mandate was renewed in 2018 for another 5 years.

ESSF is also the platform where the EU and the Member States work together with the stakeholders to prepare, discuss and refine Green Deal related initiatives for implementation to shipping.

In 2013, EuDA was observer in the ESSF. In 2018, EuDA became full member of the ESSF, with Paris Sansoglou representing EuDA at the plenary sessions and Jan Tilman (Van Oord) at 2 technical subgroups ('Sustainable Alternative Power for Shipping' and 'Ship Energy Efficiency'). EuDA did not join the other subgroups on Air Emissions from Ships (AES) and on Waste from Ships (WS, focusing on Port Reception Facilities & Ship-Source Pollution).

Despite the COVID crisis, ESSF stuck to their programme as much as possible and are preparing the meetings in MEPC (postponed till H2 or even 2021).

The Sub-group on **Ship Energy Efficiency** (SEE) assists and advises the European Commission on issues related to the improvement of ship energy efficiency, with a focus on improving energy efficiency of ships by means of mandatory measures.

SEE provides a stakeholder platform to discuss and provide expertise to the Commission on the design, effectiveness, efficiency and impacts of possible measures **reducing the ships' carbon intensity** through further enhancement of ship energy efficiency of existing and new ships.

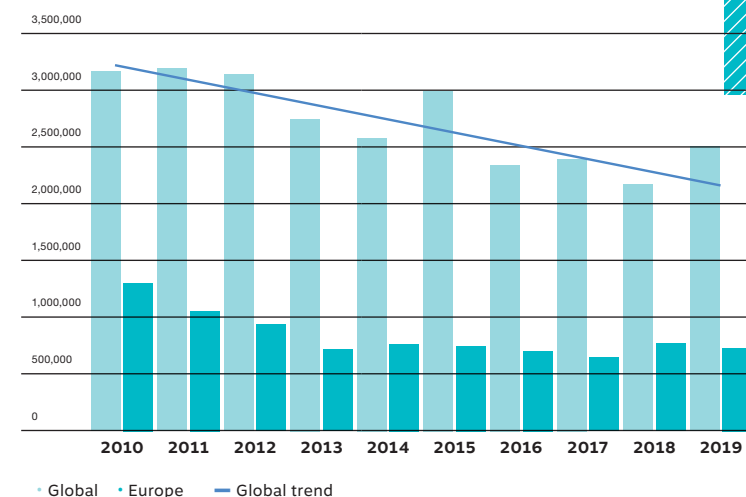
Among the recent discussions in the SEE Sub-group, the Energy Efficiency Index for eXisting ships (EEXI) should be highlighted. The SEE is discussing the way EEXI is going to be implemented as a technical goal-based approach. Although dredgers are exempted from the scope of EEDI (energy efficiency design index for newbuilds), there are levels of unclarity regarding the scope and application of EEXI. Attention and monitoring will be necessary.

The Sub-group on **Sustainable Alternative Power for Shipping** (SAPS) assists and advises the European Commission on issues related to the development and deployment of alternative power solutions for

shipping, including matters on alternative sustainable **low- and zero-carbon fuels and propulsion methods**, with a view to improve the current understanding of the available solutions and their potential, better target and prioritise the R&I investment, where appropriate pilot the deployment of certain solutions, and assess the gaps in the current regulatory framework to ensure enough ambition will be reached.

The SAPS provides a stakeholder platform to discuss and provide expertise to the Commission. Its analysis also reflects on the appropriateness of the different options for certain ship types / routes (e.g. differentiation

Graph 1:
EuDA fleet CO₂ emissions (2010-2019) *source: EuDA*





between short-sea and deep-sea traffic, regular traffic or tramp shipping, etc.) and the possible co-existence of different solutions in the future.

Currently, SAPS has three workstreams:

- 1 Zero-emission pathways;
- 2 Update on work plan and first output;
- 3 Feedback on **FuelEU Maritime** IIA.

FuelEU initiative and consultation

In the context of the European Green Deal, the need to accelerate the transition to a low-emission and climate-neutral economy was emphasised. As part of its basket of measures, the Commission is preparing a comprehensive “*Strategy on Sustainable and Smart Mobility*” to deliver on its ambitious sustainability and modernisation objectives. However, the Commission is also making sur that the transport sector recovers from the COVID-19 crisis.

An important legislative initiative of this Strategy is the “*FuelEU Maritime – Green European Maritime Space*” initiative. FuelEU focuses on ramping-up the production, deployment and uptake of sustainable alternative marine fuels, ensuring technological neutrality, regulating access of the most polluting ships to EU ports and obliging docked ships to drastically reduce their

emissions, including through using shore-side electricity. Technological neutrality for low and zero-emissions sustainable alternative fuels and power means that the technologies under consideration include (but are not limited to): liquid biofuels, e-liquids, decarbonised gas (including bio-LNG and e-gas), decarbonised hydrogen and decarbonised hydrogen-derived fuels (including methane, and ammonia) and electricity.

The initiative aims to create a clear pathway for the demand of sustainable alternative fuels in maritime transport and accelerate the achievement of low-emission, climate-neutral shipping and ports by promoting the uptake of sustainable alternative energy and powertrain systems.

EuDA submitted a contribution to the consultation and highlighted the importance of level playing field in the decisions and the need to avoid competitive distortions (inside and outside the EU).

IMO MEPC

IMO published its 4th study on GHG emissions from shipping. The report’s main findings included:

- the greenhouse gas (GHG) emissions – including CO₂, CH₄ and N₂O - of total shipping (international, domestic and fishing) have increased from 977 million tonnes in

- 2012 to 1,076 million tonnes in 2018 (9.6% increase);
- the CO₂ emissions increased from 962 million tonnes in 2012 to **1,056 million tonnes** in 2018 (9.3% increase);
- the share of shipping emissions in global anthropogenic emissions has also increased from 2.76% in 2012 to 2.89% in 2018.

In comparison, the EuDA relative share in the international shipping's emissions of CO₂ has decreased from 0.3% in 2012 to 0.2% in 2018 (2.1 Mt).

EuDA cooperations on Climate Change

By cooperating with PIANC and CEDA in joint initiatives, EuDA is further increasing the visibility of the European Dredgers with regards to Climate Change Adaptation and Mitigation.

Think Climate:

EuDA joined the 'Think Climate Coalition' led by PIANC and co-signed a position paper on "Navigating a changing Climate" that was presented at the 21st Conference of the Parties of United Nations Framework Convention on Climate Change (UN FCCC COP21) in December 2015. The Coalition organised thematic events since 2015 and published press releases announcing the

establishment of the Coalition and the progress against its roadmap of actions (contributing to achieving some of the goals of the Paris Agreement). Most actions were already existing or already planned within the Coalition members' organisations. The Coalition's added value stems from the grouping of these individual initiatives under the Think Climate umbrella to give them together more visibility and impact than individually. EuDA's work on Blue Carbon and its External Communication on TSHD were mentioned. Building with Nature was also mentioned as a sustainable approach to restore 'blue carbon sinks'. The preservation and restoration of natural marine carbon sinks is mentioned several times in the Paris Agreement.

Carbon-related CEDA Working Group:

CEDA working group on *Energy Efficiency* is chaired by Paul Vercruijse the EuDA EmWG chairman, and other EuDA members participate in the group. This involvement of common participants helps the convergence of views and approaches.

However, with the COVID outbreak in 2020, the activity of the WG was limited.

THANK YOU, Jan!

Jan Tilman joined the EuDA Emissions Working Group in 2017. Together with the other members of the group we restructured the former CO₂ working group and opened its scope to all emissions.

The Emissions WG is a small group where all members have to work hard as the GHG emissions reduction policy is the top priority of the Commission and of our respective companies. Very quickly, we understood that we could count on you.



Jan Tilman

In 2018, you became our representative in the second European Sustainable Shipping Forum (ESSF) in the technical sub-groups on Ship Energy Efficiency (SEE) and on Sustainable Alternative Power for Shipping (SAPS). Thanks to your connections with other emissions working groups (in the Dutch dredgers' association, in the Dutch shipowners' association and with the International Marine Contractors Association) we managed to better coordinate our actions and join forces with relevant allies.

We appreciated your keen work, enthusiasm and cooperation. We wish you all the best in your new endeavours and welcome your successor Mr Job Voormolen.

Thank you, Jan. Farewell!

Paul Vercruijse - EmWG Chairman

Caring for our people

The EU Green Deal considers that the Social Pillar of Sustainability needs minimum ethical and social safeguards, as defined in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights in the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights. All EU financed or EU funded projects (inside or outside the EU) should comply with at least these minimum safeguards.

WE LOOK FURTHER. WE LOOK FOR SUSTAINABILITY.



1. SocCom Vision and Communication Plan

Strategic Workshop

EuDA organised in 2018 an internal strategic workshop to reevaluate, redefine and update EuDA's Social Strategy. During this workshop, the EuDA members identified obstacles, potential solutions and priorities and broadened the scope of the discussions to realistic future strategic options for the European Dredging Industry.

As a result of this exercise, the EuDA Social Committee collected the necessary input to establish a long-term vision for the whole dredging sector. This vision will be accompanied by a communication plan, that will draw the main lines of discussion for EuDA's upcoming lobbying activities.

The workshop identified 5 main clusters of issues affecting the entire range of activities of the European Dredgers:

- 1° Unfair Competition;
- 2° Not Future Oriented Governance;
- 3° Unsited and Messy Legal Framework;
- 4° Labour Availability, Qualifications, Mobility;
- 5° Enforcement and Compliance Checking

A strict focus on social affairs would limit the attention to the last two clusters. However, with the **EU Green Deal** initiative covering all aspects of sustainability, including social welfare and working conditions, and with the increase of **Chinese threat** to the European dredging industry entering Europe, all 5 clusters become relevant and need input from the social affairs point of view.

2019-2020 Members of the EuDA SocCom

Bruno Monteyne
(SocCom Chairman,
DEME)



Bo Toft Franzen
(Rohde Nielsen)



Henry Bleker
(Vereniging van
Waterbouwers)



Katleen De Geyter
(Jan De Nul)



Geert Klaver
(Van Oord)



Robbert Veenstra
(Boskalis)



Paris Sansoglou
(EuDA)



In the implementation of its Vision, the SocCom will consider possible alliances, e.g. with EIC and FIEC, and partners, e.g. ETF.

Unfair competition

Unfair competition, especially from China, has been growing for the past ten years. Starting in China and its neighbouring countries, unfair trade practices by Chinese State-owned Enterprises (SoEs) have spread to many third market countries around the world. And in 2019 and 2020, they are crossing the borders of Europe.

To respond effectively to this threat, EuDA is developing a **European Trade Strategic Toolbox** with a set of policy and legislative instruments to stop these unfair competition practices to further harm the European Dredgers inside and outside Europe.

In this context, the scope of the toolbox also includes instruments relating to social and labour conditions. EuDA started a reflection on ways in which social regulations (including permits, visas, language/nationality requirements, ...) can be used or adapted to prevent unfair social practices (dumped social conditions, forced labour, ...) to enter Europe.

In order to prevent unfair competition through social

dumping, the group immediately referred to the existing EU legislation, already imposing minimum standards:

- the EU Directives on the Posting of Workers
- the proposed framework on minimum wage;
- EU standards for land-based personnel or possibly non-MLC offshore personnel (own or subcontracted) like those laid down in posted workers directive;
- the remaining national cabotage laws (putting restrictions on non-EU personnel).

Gaps in the EU legislations relevant to dredging need to be identified and filled.

Regarding the EU Directives on the Posting of Workers:

- 1° EU Directive 96/71/EC on “*the posting of workers in the framework of the provision of services*” (16/12/1996);
- 2° EU Directive 2014/67/EU on “*the enforcement of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services*” and amending IMI Regulation EU/1024/2012 on “*administrative cooperation through the Internal Market Information System*” (15/05/2014); and
- 3° Directive (EU) 2018/957 amending Directive 96/71/EC concerning the posting of workers in the framework of the provision of services (28/06/2018).

These legislations contain provisions such as *Art. 3 of the posting of workers Directive stipulates that Member States shall ensure equal treatment as well as the following requirements:*

- *maximum work periods and minimum rest periods;*
- *minimum paid annual leave;*
- *remuneration, including overtime rates*
- *the conditions of hiring-out of workers, in particular the supply of workers by temporary employment undertakings;*
- *health, safety and hygiene at work;*
- *protective measures with regard to the terms and conditions of employment of pregnant women or women who have recently given birth, of children and of young people;*
- *equality of treatment between men and women and other provisions on non-discrimination.*
- *the conditions of workers' accommodation where provided by the employer to workers away from their regular place of work;*
- *allowances and reimbursement of expenditure to cover travel, board and lodging expenses for workers away from home for professional reasons.*

However, to be effective, these minimum standards still **need to be enforced properly** on the misbehaving competitors without overburdening the fully complying

ones. At the moment, these requirements are perceived as more bureaucratic and burdensome than effective enforced on the not complying non-EU competitors. All EU rules should apply to all companies working in Europe including non-EU SoEs. Moreover, these legislative provisions should avoid discriminatory taxation or quotas, to remain in line with international legislation.

ILO Maritime Labour Convention (MLC 2006)

The ILO Maritime Labour Convention (MLC 2006) imposes minimum standards and requirements for crew (nautical, not nautical), such as **Minimum wage; Worker welfare; Working conditions** provided by compulsory collective agreements.

2. COVID 19 related issues

The COVID-19 pandemic is a public health emergency and the necessary national lockdown measures put in place to stop the spreading of the virus are proving effective but they are also severely impacting economic activity in all the EU Member States. As each State is taking its own set of measures, the possible issues/problems encountered by the companies are **country specific**, including inside the EU.

Among of the main issues for the dredgers caused by the pandemic, the most problematic was the **crew**

changes: new crews have difficulties accessing the ships/projects and crews on board have difficulties leaving the ship/project to get back home, certificates expire (are temporarily prolonged), moreover PPE (personal protection equipment), quarantine and testing may or may not be required. In some countries, dredging personnel has been recognised as 'key port's personnel', but not everywhere.

The situation in Europe is gradually improving. EU governments provided support on trade and shipping. Some consultations with the Unions were organised and compromises were found on various quarantine formats. Outside Europe, the situation is still problematic. In some cases, bureaucratic procedures for crew changes authorisations in projects outside the EU could take more than 3 weeks. In other countries (e.g. Far East, Australia, Guyana, Brazil), proper and smooth crew changes are not allowed.

Temporary unemployment (incl. treatment of staff in between projects)

In this context, more and more staff are temporarily unemployed, waiting for their assignment to the next project. The legal framework regarding their treatment by the local and main flag administration may vary as such practices and conditions are usually negotiated

under a collective sectoral committee. And companies apply the agreed treatment within the boundaries of the collective sectoral agreement.

3. European Developments

EU Green Deal

The European Green Deal is the EU Plan to improve Europe's environmental footprint, to fuel its economic growth and to improve its social and working conditions. The European Green Deal needs to be financed and sustainable investments need an enabling framework, with appropriate tools and structures. These are being prepared under the Green Taxonomy which will incentivise the "*financing of green activities*" and the "*greening of finance*".

The *Green Taxonomy* (Regulation 2020/852) is a unified EU classification system establishing a common language for sustainable finance. In fact, the Green Taxonomy will establish criteria for determining whether an economic activity qualifies as environmentally sustainable for the purpose of establishing the degree to which an investment is environmentally.

*NB: an economic activity qualifies as **environmentally sustainable** if it*
*(a) contributes substantially to one or more of the **environmental objectives**;*

- (b) **does not significantly harm any of these environmental objectives;**
- (c) *is carried out in compliance with **minimum safeguards** as listed in **Art. 18: OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights**, including the principles and rights set out in the eight fundamental conventions identified in the **Declaration of the International Labour Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights**.*
- (d) *complies with **technical screening criteria**.*

The **risk for the dredging companies** is that their activities don't qualify in part or in all as environmentally sustainable, and consequently that the turnover and investments of these companies do not qualify as environmentally sustainable and that these companies are unable to finance part or all their activities on the European financial market.

From a social affairs point of view, one of the key **opportunities for the dredging companies** lies in the minimum ethical, social and labour safeguards. Would these minimum ethical and labour requirements be enforced in both financing rules as public procurement

rules, the non-EU SoEs would have a significant catch-up exercise before being allowed to tender in EU-financed projects inside and outside the EU.

Foreign Subsidies and Transport Strategy for Mobility

EuDA participated in the EU Consultation on the White Paper on “levelling the playing field as regards foreign subsidies”. In its submission, EuDA highlighted the minimum ethical, social and labour safeguards enshrined in the Green Taxonomy that should also be applied to EU public procurement and all EU financed projects.

The new White Paper of DG MOVE on Transport Strategy for Mobility was announced. Initially planned for the last quarter of 2020, there have been delays due to the COVID pandemic.

Minimum Salary Requirements

As announced in the 2020 State of the Union, the Commission proposed a framework for minimum wages. The framework is aiming to protect all Union workers and companies. The idea is that everyone must have access to minimum wages either through collective agreements or through statutory minimum wages. This would restore dignity of work, destroyed by the dumping of wages.

EU State Aid: follow-up on DG Competition

The Community Guidelines on State Aid to Maritime Transport (hereinafter the “Maritime Guidelines”) were first introduced in 1997. Recognising the strategic importance of maritime transport for the European economy in general and for the European maritime cluster in particular, the Maritime Guidelines provided an EU-wide framework for Member States to apply positive measures (not operational aid) to counteract competition distortions and imbalances on the global maritime markets on a voluntary basis. These measures aimed at improving the global level playing field, at fulfilling objectives of common European interest (including safety, security and environment friendliness of maritime transport, flagging and re-flagging to Member States’ registers), at maintaining and improving maritime know-how, and at protecting and promoting employment for European seafarers.

The maritime transport sectors, which include maritime dredging, were faced then and still are with significant

“The Maritime Guidelines aim at reducing global competition distortions in maritime transport”

“State Aid should more effectively target sustainable growth-enhancing policies while encouraging budgetary consolidation, limiting distortions of competition and keeping the single market open.” DG COMP’s State Aid Modernisation Package”



challenges, such as fierce global competition in the market of the sea-going vessels, which run the significant risk of reflagging and relocating outside the EU.

In so doing, the Maritime Guidelines attempt to partially compensate for the market failures on the global maritime markets. They allow the EU Member States to provide certain incentives to maritime sectors involved in the transport of goods and passengers by sea in order to (re)flag EU vessels and employ (more) Europeans.

The Maritime Guidelines were revised in 2004 and prolonged in 2013. Compared to 1997, the Maritime Guidelines imposed stricter conditions in 2004 and resulted for the dredgers in the exclusion of the seagoing self-propelled cutters from the scope of the guidelines and the introduction of the 50% rule (*imposing that 50% of the operational time is spent doing 'maritime transport' activities*). These dredging vessels, however, continue to play a key competitive role in the maritime dredging cycle: making projects more efficient and economical.

From its 2013 consultation, DG Competition (DG COMP) concluded that there was no reason to remove any currently accepted benefits. Based on this result, DG COMP decided to **extend, unchanged, the 2004**

Maritime Guidelines for an undetermined period of time (without any foreseen revision date). With regards to the current status of the Maritime Guidelines, they are still valid. Commissioner **Margrethe Vestager** considered that the market developments since 2013 meant that the approach did not need to change.

With regards to the next steps, a revision of the State Aid to Maritime Guidelines is expected by 2023. DG Competition confirmed that some clarifications of the 2004 Guidelines are necessary. There are two possible options, minor changes and major revision. Both options should integrate the post-2004 decisions and bring some needed clarifications to the guidelines' text. The major review option would involve a full procedure that could take a few years.

Review of the EuDA Vision on State Aid

Building on the good work of the past and making the best use of the lessons learned, EuDA decided to revisit its vision on State Aid. EuDA developed an in-depth approach to improve the case of the Dredgers and keep the momentum of its constructive exchanges with DG COMP.

DG COMP confirmed that the State Aid attributed to Maritime Dredging is considered as a positive measure

as the objectives of the instrument target higher societal values (e.g. improving global level playing field in maritime markets, maintaining the European Flags, keeping the maritime knowledge and skills in Europe).

In their comprehensive approach, the EuDA members established a short list of priorities:

- maintaining the **guidelines** for dredgers (State aid is still necessary to reduce the costs of European seafarers who are, despite the aid, still too expensive);
- removing the **50% rule** for dredgers (the burden of the proof associated with this rule causes unnecessary extra costs);
- clarifying **maritime access** for both ships and seafarers (ships working on maritime access need to comply with IMO legislation; seafarers' visas should be sufficient, although there are requirements for local working permits);
- keeping **tonnage tax** for offshore services vessels;
- keeping separate the State Aid treatment of dredgers and other **offshore services vessels** (e.g. the ships eligible for State aid by their own merit should not be grouped under the dredgers and not subjected to the 50% rule);
- develop a **long-term vision** along with a **communication plan** (a dredging industry long-

term vision should be established in order to guide both priorities and lobbying actions; to harmonise approaches and concepts where possible);

- broaden the scope of the guidelines to include:
 - positive perception by DG COMP;
 - connect priorities to EU values on Sustainability and CO₂ performance;
 - make recommendations for flexible and creative legislative approaches that will both improve the situation and stimulate future innovation.

The next step is to implement the long-term plan for the sector starting with an update of EuDA's position paper on the Maritime Guidelines intended for DG COMP.

EuDA's main recommendations on State Aid

In preparation for the possible revision of the State Aid Guidelines to Maritime Transport, EuDA collected evidence to substantiate its recommendations for a meaningful revision of the Guidelines:

"while keeping dredging in their scope, the Guidelines should exempt dredgers from the "50% Rule" and possibly consider enlarging their coverage to other self-propelled ocean-going dredging vessels (such as CSDs)".

THANK YOU, Bruno!

Bruno Monteyne joined the EuDA Social Committee in 2010 as the representative of the DEME and became its Chairman in 2012.

Since then, Bruno pulled the Committee together and discussed the main social issues with the European Commission. The State aid file was the major focus of the Social Committee's activities and we could count on you to present our views and arguments to Commission officials from DG COMP.



Bruno Monteyne

After more than 10 years in the Social Committee, we appreciated your dedication to the industry, your keen work and enthusiasm. We wish you all the best in your new endeavours and welcome your successor Mr Kenneth Callens.

*Thank you, Bruno
Farewell!*

Alan Lievens

EuDA Chairman

THANK YOU, Henry!

Henry Bleker joined the EuDA Social Committee in 2009 as the representative of the Vereniging van Waterbouwers replacing Simon Hoek (the first SocCom chairman).

On behalf of the EuDA Social Committee, we would like to take this opportunity to thank you, Henry, for your dedication and commitment over more than 10 years to the EuDA Social Committee and the social legislative issues impacting on the European dredgers.



Henry Bleker

We appreciated your keen work, enthusiasm and cooperation. We wish you all the best in your new endeavours.

*Thank you, Henry
Farewell!*

Bruno Monteyne

SocCom Chairman



Successful step changes require innovative ideas and approaches

The transition to sustainable economic activities requires significant efforts and investments in new knowledge as well as a change of mindset and governance. Properly aligned sustainable public procurement policy and the sustainable finance policy will create an enabling environment stimulating innovation and investments in sustainability.

WE LOOK FURTHER. WE LOOK FOR SUSTAINABILITY.



RESEARCH AND DEVELOPMENT

European Dredgers Innovating around the world

Where the global markets are open, the European dredgers can keep growing in their high-tech high added-value maritime market segments and maintain their global leadership only by innovating faster than their competitors imitate them. To provide added value to global logistics, global environment and global society, the European dredging companies are continuously investing in Research, Development and Innovation (RDI) in new vessels and equipment and their processes and operations. World leadership in global markets is not a destination but a journey towards a constantly moving target.

For instance, EuDA members invested over €11.1 bn from 2008-2017 in new equipment, including new exploration and testing equipment to improve global environment conditions and in RDI to improve the efficiency of their operations and systems.

Moreover, EuDA promotes innovation-friendly legislation and governance. Indeed, when innovative solutions appear, they can be hindered or blocked by too prescriptive legislation and unadapted governance. This is why EuDA promotes goal-based legislation and performance-based standards over prescriptive ones. EuDA also promotes the Life Cycle approach to assess the

costs and benefits of the different possible alternative solutions for a project. Typically, only the costs of the building phase are considered and the possible added-value or cost reductions occurring afterwards (during operations, maintenance, or during decommissioning) are usually not taken into consideration. By integrating long-term metrics and impacts in the decision-making, the Life Cycle approach opens up the range of solutions (from hard solutions to soft solutions) and provides decision-makers with the proper long-term assessment tools to invest in more sustainable solutions.

Hereafter, some of the EU funding possibilities accessible to the European Dredgers for Research, Development and Innovation are briefly presented:

WATERBORNE Technology Platform

WATERBORNE is an industry-oriented Technology Platform gathering waterborne (maritime, inland navigation and lakes, ports) stakeholders such as classification societies, shipbuilders, shipowners, maritime equipment manufacturers, infrastructure and service providers, universities or research institutes, as well as representatives from the EU Institutions and the Member States.

The strategic objectives of the WATERBORNE TP are:

- maintain a continuous dialogue on R&D between

all stakeholders in the waterborne transport and waterborne-related sectors;

- contribute to the widest possible consensus regarding R&D and to focusing of efforts and resources;
- keep up-to-date the common long-term R&D Vision and Strategic Research Agenda (SRA);
- contribute to the appropriate mobilisation and allocation of the necessary financial resources (private/ regional/national/EU sources);
- contribute to the global challenges facing society with clean, competitive and safe waterborne transport and waterborne-related activities, including education and training.

WATERBORNE TP has three main missions:

- transform **waterborne transport** (greener, safer, more connected & competitive);
- develop European leadership and new business models for **blue growth** sectors;
- integrate shipping and inland navigation into seamless port and logistics operations.

In the last two years, WATERBORNE managed to reinvent itself and adapt to the new requirements of the European research funding environment. The restructuring of the platform involved the creation of a permanent secretariat and management structure as well as the creation of a

“World leadership in global markets is not a destination
but a journey of continuous self-improvement”



flagship **Co-Programmed Partnership** (CPP) on “Zero-Emission Waterborne Transport” within the framework of Horizon Europe. In the Multiannual Financial Framework (MFF) 2021-2027 voted at the end of 2020, Horizon Europe received funding for over 83 bn€. The CPP more specifically should secure 530M€ for waterborne transport to develop technologies and innovations over the period to achieve zero-emission waterborne transport by 2030 and contribute to achieve the Paris Agreement targets.

Next to the funding of the CPP, WATERBORNE should also secure the more traditional EU research funding for waterborne transport and waterborne-related sectors to provide technological and innovative responses to the EU Green Deal objectives.

European Maritime Days 2019-2020, in Lisbon and Cork: “Blue entrepreneurship, research, innovation and investment”



Created by a tripartite declaration by the Presidents of the European Commission, the European Parliament and the Council of the EU, the European Maritime Day (EMD) is celebrated on and around the 20th May every year and aims to raise the visibility of a Maritime Europe.

The 12th edition of the European Maritime Day (EMD) was organised on 16 & 17 May 2019 in Lisbon, Portugal.

NB the 13th edition of the European Maritime Day (EMD) was to be organised on 14 & 15 May 2020 in Cork, Ireland but was cancelled due to the COVID confinement measures.

Its flagship theme was focusing on a “Blue entrepreneurship, research, innovation and investment to transform traditional maritime sectors and boost emerging technologies and value chains”. On this occasion, the European Commission published the second edition of its Blue Economy Report.

In his opening speech, the European Commissioner for Environment, Maritime Affairs and Fisheries, Mr Karmenu Vella stated that Coastal regions are home to 214 million people and generate 43% of EU GDP. He explained that the newly published report confirmed that the blue economy’s role was a growth sector, with opportunities both in established sectors like tourism and shipbuilding, and in emerging areas like ocean energy or the blue bioeconomy.

Tibor Navracsics, Commissioner for Education, Youth, Culture and Sport, responsible for the Joint Research Centre, added that although oceans cover more than 70% of the earth’s surface, we know less about what lies beneath the waves than we do about faraway planets. The second Report on the European Blue Economy

aims to change that. It reflects the importance that the European Commission attaches to a robust, evidence-based approach. Our oceans and seas can help us in tackling the challenges facing humanity; creating prosperity without endangering that of future generations.

Successful Completion of project ThinkNature

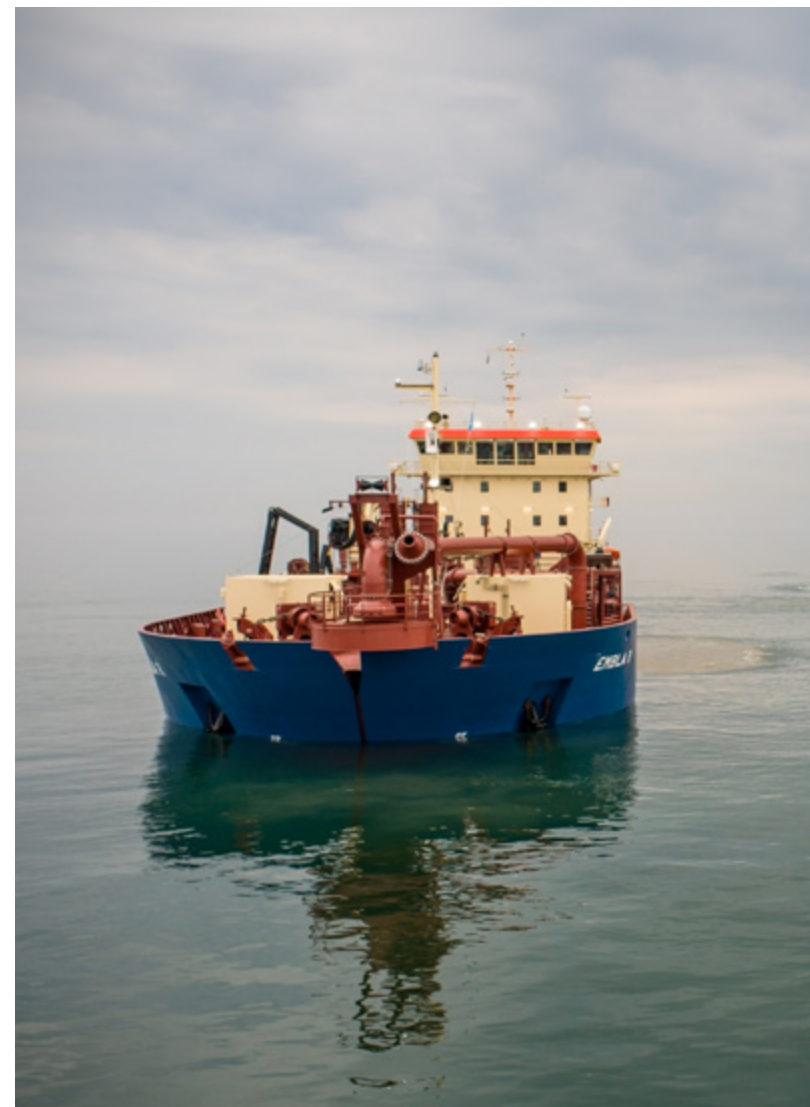
Objective

In 2016, EuDA joined the “ThinkNature” (TN) consortium managing an EU funded project (under Horizon 2020). EuDA was the interface between the project partners and the dredging industry. The main objective of the present project is the development of a **multi-stakeholder communication platform** (TN Platform) that supports the understanding and the promotion of Nature-Based solutions (NBS) in local, regional, EU and International level.

Nature-based solutions (NBS) are actions inspired by, supported by or copied from nature that aim to help societies to address a variety of environmental, social and economic challenges in sustainable ways.

Milestones

ThinkNature was kicked-off on 11-12/01/2017 in Chania (Crete, Greece).



2019-2020
Members of the Task
Group
on Dredging
Standards



Paris Sansoglou
(TG DS Chairman,
EuDA)



Patrick van Eerten
(Boskalis)



Robby De Backer
(Jan De Nul)

Jan Tilman
(Van Oord)

Bart Verboomen
(DEME)

Bo Franzen
(Rohde Nielsen)

The project's main milestones include the establishment of the on-line website and **ThinkNature Platform of Stakeholders** (<https://www.think-nature.eu/platform/>), the **ThinkNature Handbook** (http://european-dredging.eu/pdf/thinknature_handbook_final_lowres.pdf) and the organisation of four **international conferences** (in Tallinn in 2017, in La Coruna in 2018, in Paris in 2019 and in Bucharest in 2019). In Paris, EuDA organised one session on implementing Building with Nature in the context of climate change adaptation and resilience and was actively involved in two other sessions on the same subject. Additionally, EuDA made presentations in workshops on the concrete implementation Nature-Based Solutions in Crete (06/05/2019 in Chania and 09/05/2019 in Heraklion) and took part in the Summer School (02-06/10/2019 in Chania).

Legacy

EuDA will build on the momentum to continue the work to **make Nature-based Solutions mainstream**. EuDA had positive contacts with the International Institute for Sustainable Development (IISD). EuDA and IISD have common views on Nature-based Solutions and their long-term benefits and added value to society. IISD developed their own approach to sustainable infrastructures called SAVi (Sustainable Asset Valuation; <https://savi.iisd.org/>). This approach determines the additional **costs**

associated with non-sustainable infrastructures and provides the economic argumentation necessary to make decisions on building sustainable infrastructures (considering the assets' life cycle, the system's dynamics and the project's financing). There was mutual interest, however, with the COVID outbreak, this cooperation was put on hold.

THANK YOU, Jan!

Jan Tilman joined the EuDA Task Group on Dredging Standards in 2019. Together with the other members of the group we worked to understand ISO processes. We managed to stop unnecessary standards from getting through in dredging. With your support, we reshaped the standards into more appropriate reference documents.

We appreciated your keen work, enthusiasm and cooperation. We wish you all the best in your new endeavours and welcome your successor Mr Maarten Sanders.

Thank you, Jan. Farewell!



Jan Tilman

Paris Sansoglou - TG DS Chairman

United we stand

Under the European Dredging Association (EuDA), the European Dredgers have united their voice for more than 25 years to promote market openness and global level playing field to the European and international organizations.

WE LOOK FURTHER. WE LOOK FOR SUSTAINABILITY.



MEMBERS



Belgium

Baggerwerken Decloedt & Zoon N.V.
DEME Building Materials N.V. (DBM)
DEME Environmental Contractors N.V. (DEC)
DEME Offshore BE N.V.
Dredging International N.V.
Dredging & Contracting Belgium N.V.
Ecoterres S.A.
Fédération du Dragage Belge A.S.B.L.
Jan De Nul N.V.
Van den Herik N.V. (Brugge)
Van Oord België B.V.B.A.



Bulgaria

Boskalis Offshore Subsea Contracting B.V.



Cyprus

BKW Dredging & Contracting Ltd.
Boskalis Westminster Middle East Ltd.
Boskalis Westminster Marine (Cyprus) Ltd.
Dredging International Services (Cyprus) Ltd.
Van Oord Middle East Ltd.



Denmark

Rohde Nielsen A/S



Estonia

Terramare Eesti OU



Finland

Terramare Oy



France

Atlantique Dragage S.A.R.L.
CBD S.A.S.
Eco Systèmes de Dragage
Granulats de la Manche Orientale GIE (GMO)
Société de Dragage International 'SDI' S.A.
Sodranord S.A.R.L.
Sodraco International S.A.S.



Germany

DEME Offshore DE GmbH
HDC Wasserbau GmbH Nord
Hegemann GmbH / Dredging
Heinrich Hirdes GmbH
Jan De Nul Nassbaggerei und Wasserbau GmbH
Nordsee Nassbagger-und Tiefbau GmbH
OAM-DEME Mineralien GmbH
Strabag Wasserbau GmbH
Van den Herik GmbH
Van Oord Wasserbau GmbH
Vereinigung der Nassbaggerunternehmen E.V.



Gibraltar

Van Oord (Gibraltar) Ltd.



Ireland

Irish Dredging Company
Van Oord Ireland Ltd.



Italy

Boskalis Italia Srl
DEME Environmental Contractors N.V.
(Branch Italy)
Dravo S.A. Italy Branch
Societa Italiana Dragaggi SpA 'SIDRA'



Latvia

Dredging International N.V. Branch Latvia



Lithuania

UAB Boskalis Baltic



Luxembourg

DEME Offshore LU S.A.
Dredging and Maritime Management S.A.
Dredging International (Luxembourg) S.A.
Société de Dragage Luxembourg S.A.



Netherlands

Aannemingsmaatschappij de Vries & van de Wiel B.V.
Baggerbedrijf De Boer B.V. / Dutch Dredging B.V.
Baggermaatschappij Boskalis B.V.
Boskalis Nederland B.V.
Boskalis International B.V.
Boskalis Offshore B.V.
Royal Boskalis Westminster N.V.
DEME Building Materials B.V. (DBM)
DEME Offshore NL B.V.
Dredging and Contracting Rotterdam B.V.
Mijnster zand- en grinthandel B.V.
Paans van Oord B.V.
Van den Herik Kust- en oeverwerken B.V.
Van der Kamp International Dredging B.V.
Van Oord Dredging and Marine Contractors B.V.
Van Oord Nederland B.V.
Vereniging van Waterbouwers
Wicks B.V.



Norway

DEME Environmental Contractors N.V. (Branch Norway)
Van Oord Norway A.S.

DEME Building Materials Ltd.
DEME Environmental Contractors U.K. Ltd.
Jan De Nul U.K. Ltd.
Llanelli Sand Dredging Ltd.
New Waves Solutions Ltd.
Rock Fall Company Ltd.
Van Oord U.K. Ltd.



Poland

Boskalis Polska Sp. z.o.o.
Van den Herik Polska Sp. z.o.o.



Portugal

Boskalis Sucursal em Portugal
Dragapor Dragagens de Portugal S.A.
Dravo S.A. Portugal Branch
Dredging International N.V. (Branch Portugal)



Romania

Boskalis International B.V.
Van Oord Dredging and Marine Contractors B.V.
Romania Branch



Spain

Boskalis B.V. Sucursal en España
Dravo S.A.
Dredging International España S.A.
Sociedad Española de Dragados S.A.



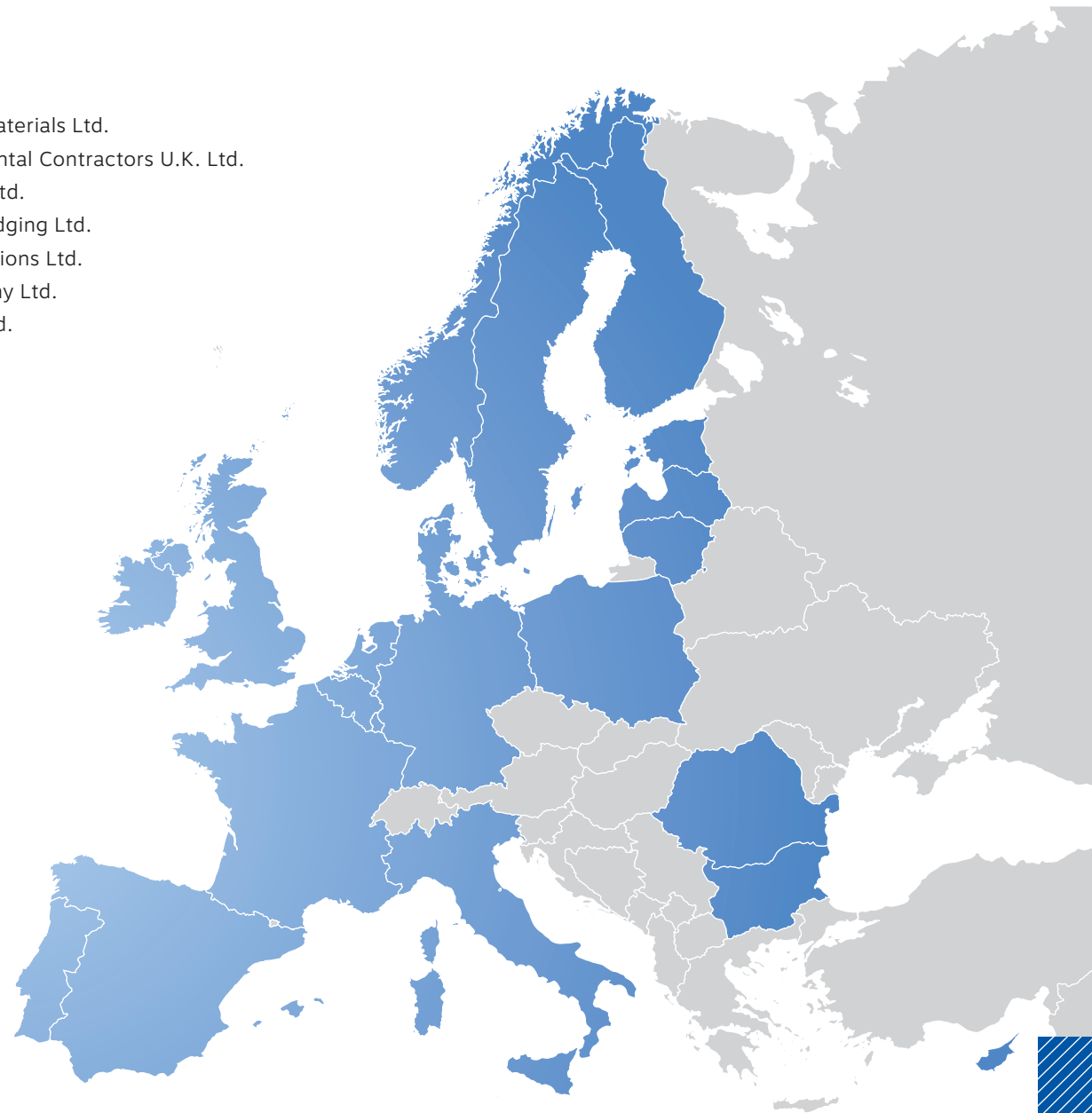
Sweden

Boskalis Sweden A.B.
DEME Environmental
Contractors N.V. (Branch Sweden)



UK

Boskalis Westminster Ltd.
British Marine Aggregate Producers Association
(BMAPA)



EUDA VERIFICATION COMMITTEE

The purpose of the Verification Committee is to independently verify the annual accounts of EuDA and certify that they are true, transparent and without irregularities towards all the members of EuDA gathering at the Annual General Meeting. The Members of this Committee are necessarily from a different member organisation than the EuDA Treasurer's.

2019-2020
Members of
the Verification
Committee



Mieke Fordeyn
(Jan De Nul)



Hilde Vermeire
(DEME)



EuDA celebrated
its 25th Anniversary
in 2018

ABOUT EUDA

Having celebrated its 25th Anniversary in 2018, the European Dredging Association ("EuDA") was founded in 1993 as a non-profit industry organisation for European dredging companies and related organisations to interface with the various European Union's ("EU") Institutions and also some International Organizations (such as IMO, HELCOM or ILO). EuDA members employ approximately 25,000 European employees directly "on land and on board of the ships" and more than 48,300 people indirectly (through the suppliers and services companies). The combined fleet of EuDA's members counts approximately 750 seaworthy EU-flagged ships.

Dredging activities are not well known by the wider public, but as a matter of fact, the European dredging companies, members of EuDA, are world market leaders with about 80% share of the worldwide open dredging market and a turnover of 8.7bn Euro in 2019. Although 70% of operations take place outside Europe, 90% of the returns flow back to Europe.

The Association assists its members with all kinds of requests related to dredging issues, presently strongly focusing on Social, Environmental, Technical and Trade issues. These issues are coordinated by the Secretariat and executed by its specialised working groups composed of experts from the member companies.

EuDA has registered as Interest Representative Nr 2492574893-58 under the EU transparency register. The Association will pursue its goals by endorsing policies to create fair and equitable conditions for competition; commits to respecting applicable national, European and international rules and regulations; commits to operating its fleet safely, effectively and responsibly.

Thank you, Fabio!

Fabio Rondini joined the EuDA secretariat on the 16th of March 2020, just two days before the lock down in Belgium due to COVID.

He worked with Paris Sansoglou and Vassia Nikolopoulou and reinforced the secretariat with his knowledge on trade issues and his enthusiasm.

During most of the 12 months he worked for EuDA, Fabio was confined. Working from home is a test of motivation and of capacity to adapt. Fabio decided to return to Italy and his family.

On behalf of the EuDA Board and secretariat, we would like to thank you Fabio for the work and support you gave us. We regret but respect your decision to find new endeavours under sunnier skies.

But the secretariat will continue to work on its new challenges.

Farewell Fabio!

Thank you on behalf of the EuDA Board and secretariat,

Alan Lievens

EuDA Chairman



Fabio Rondini



EuDA Secretariat Paris Sansoglou, Secretary General Vassia Nikolopoulou, secretary

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