

ANNUAL REPORT 2013

European dredging, a maritime success story



EUROPEAN DREDGING ASSOCIATION





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EuDA's 20th Anniversary

Founded in 1993, the European Dredging Association (EuDA) celebrated its 20th Anniversary in 2013. For the past 20 years, European Dredgers have built up momentum and increased their strength and resilience as individual companies but also as a united and reputable sector organisation.

To celebrate in style this important event, EuDA organised a high level conference on 7th November 2013 in the prestigious Bibliothèque Solvay.

*The conference's theme was "**The European Dredging Industry: A Maritime Success Story !!!**" and was opened with a keynote address by Commission Vice-President and Commissioner for Transport & Mobility, Mr Siim Kallas. His address was followed by interventions from eminent speakers presenting highly innovative projects realised by European dredgers around the world.*



Quality never happens by accident!

It is always the result of intentional effort, intelligent guidance
and execution...

it represents the choice of many alternatives

20 years of stable Chairmanship

In its 20 years history, EuDA has had only three chairmen: Jean-Jacques De Cloedt, Founding Chairman of EuDA (1993-1999), Joseph Allaert, his successor (1999-2005), and Marc Stordiau, the current Chairman (2005).

from left to the right

Marc Stordiau, Jean-Jacques De Cloedt, Freek de Wit and Joseph Allaert





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



industrial policy

Visionary helmsmen steer European dredgers towards global gold

In the past 20 years, the European Dredgers have transformed from “mud-pushers” into well-respected world leaders in a diversified industry segment of high strategic and economic importance.

Over these years, the European Dredgers successfully tackled major challenges such as increasing demand for waterborne trade, space and resources in the context of the increasing need to protect our environment.



7 years of plenty
after 7 years of austerity?

M. Stordiau, Chairman

In 2013, the European Dredging Association celebrated its 20th Anniversary. On such occasions, it is traditional but also interesting to reminisce on the major milestones and to identify in the past 20 years the critical changes that have shaped our industry into what it is today.

20 years ago the European dredging industry was still composed of many smaller 'mono-cultural' companies focusing on 'pure dredging' activities. Today less than half of these are left but the remaining companies are bigger, stronger, more resilient and ... more profitable than before. In 20 years, the European Dredgers have become world leaders in a diversified industry segment of high strategic and economic importance. European dredging companies have evolved from specialised sub-contractors into maritime builders and often main construction contractors.

This evolution is the result of the continuous work of the European Dredgers on a combination of factors that include multidisciplinary cooperation, European and international knowledge exchanges, diversification of activities and geographical diversification.

Today, the continuous efforts of the European dredging industry keep raising the standards to provide a broader range of high added value services and innovative solutions to a larger and larger variety of clients worldwide. This strategy allowed the European Dredgers to further diversify their portfolio of activities into market segments with relatively uncorrelated drivers and to gain a near independence from the global economic cycles. The old saying, 'seven years of plenty followed by seven years of famine' that 20 years ago was used by the dredgers as a rule of thumb, may have become obsolete.

In the high level conference celebrating its 20th Anniversary, EuDA illustrated these remarkable characteristics of the European dredging industry by showcasing a selection of important milestones and recent innovative projects realised by European dredgers on 4 continents.

The general state of the European economy in 2013 was still dire, despite some signs of hope, showing light at the end of the tunnel. Therefore the European Commission's top priorities were still addressing the most urgent problems inherited from the 2008 financial and economic global crises, such as the reduction of the Member States' budget deficits and stabilisation of the Eurozone, in order to pave the way for sustainable growth and employment policies.

In 2013, the European Dredging Association (EuDA) actively contributed to reflections and discussions at national and European levels on issues affecting directly or indirectly the European dredging industry. EuDA's main purpose is to organise and maintain the communication channels with the European Institutions. In 2013, EuDA engaged the European Commission in discussions on a wide range of topics but essentially on State Aid to Maritime Transport, CO₂ and on Sulphur emissions and the EU Free Trade Agreements' negotiations.

DG Competition's 2012 consultation concluded that there was no reason to remove any currently accepted benefits and led Mr Joaquín Almunia

2013
Members
of the
EuDA
Board



J. Rohde Christensen, Vice Chairman



P. van der Linde, Vice Chairman



P. Tison, Treasurer



F. de Wit



F. Heinis



G. Loeck



C.J. van de Graaf

to extend the maritime guidelines without a change. This extension will keep these guidelines unchanged for an undetermined period of time and without any revision date announced. This means that dredgers will continue to be included in its scope.

CO₂ emissions are the direct result of the use of energy to do our work. In our competitive industry, continuous improvement of the efficiency of the vessels and operations is a must. EuDA analysed the options for compliance to the sulphur requirements that will be effective in Emission Control Areas from 2015 onward and concluded that among the technical solutions currently available on the market, the switch from cheap heavy

fuel oil to more expensive marine diesel oil was the most realistic option.

Multilateral trade agreements such as discussed in the World Trade Organization have shown their limits and the latest failure of the Doha Round led the various economic blocs around the world to reopen bilateral negotiations.

2014 will be a transition year for the European Institutions, marked by the European elections, the transfer of mandates to a new set of Commissioners. EuDA's political agenda in 2014 will be the continuation of its past efforts with a special focus on:

- 1) the European State Aid Guidelines to Maritime Transport;*
- 2) the new regulations with respect to emissions by marine vessels;*
- 3) the trade negotiations between EU-US.*

European State Aid Guidelines

EuDA welcomed the decision in 2013 by DG Competition to extend the State Aid Guidelines to Maritime Transport and invites the Commission to validate this decision as a college when the time comes.

The European Dredgers argued and will continue to argue that their situation could be improved with an exemption from the "50% rule" (requesting to prove 50% of the annual operating time in maritime

activities) and with the inclusion of the Cutter Suction Dredgers (CSDs) in the scope of the Guidelines. EuDA will collect data, evidence and prepare arguments supporting the soundness of its requests.

The new regulations with respect to emissions by marine vessels

In June 2013, the European Commission proposed a new Regulation on Monitoring, Reporting and Verification (MRV) of CO₂ emissions from ships.

The regulation was accompanied by a communication stating its political objectives:

- to establish CO₂ emissions from maritime transport;
- to establish global energy efficiency standard;
- to introduce a Market Based Measure (MBM).

Because of the importance of this issue for the dredgers, EuDA will analyse the proposal and work towards a clearer interpretation and implementation. The current text of the regulation is not clear whether working vessels such as dredgers are included in its scope or not.

The EU Free Trade Negotiations

The EU has reached a political agreement with Canada to give privileged access to each other's markets. Dredging was included in the deal and in 2014, EuDA will follow up the translation of the political agreement into a concrete text, making sure that the situation of the dredgers is improved.

“Worldwide unhindered access to dredging markets and global level playing field are key priorities for EuDA.”

However, the ‘big deal’ could be found in the newly started negotiations between the EU and the US. Despite being the symbol of free trade and enterprise, the US protects many of its industries from foreign competition. Dredging is unfortunately one of these protected markets and the opening of the US would certainly create growth potential for the

European Dredgers while benefitting the US project owners. In 2014, the negotiators will lay the grounds of the agreement and by the end of the year, the main direction and lines of the agreement should be distinguishable. This is a long haul exercise: for instance, it took 4 years to conclude the Canadian deal and it still needs another few months before concrete implementation.

As a concluding remark, I would like to highlight that not all dredging markets around the world are open or freely accessible and that EuDA will always work towards unhindered access to dredging markets around the world and towards a global level playing field.

*With our best regards,
Marc STORDIAU Chairman
and his colleagues of the Board of EuDA.*



Thank you, Freek!

A few years back, you accepted to join the management team of EuDA. You were immediately faced with the delicate mission to find a suitable replacement to chair our Environment Committee. Besides the Environment Committee, Van Oord has traditionally also taken the lead of the CO₂ Working Group.



F. de Wit

Inside and outside the board meetings, discussions between competitors are never easy and we had some heated debates over the years. However we were all committed and have all dedicated resources from our own company to steering the EuDA activities.

On behalf of your colleagues in the EuDA Board of Directors, we would like to thank you, Freek, for your commitment and dedication to the EuDA Board. We would also like to thank you for committing valuable resources of your company in support of the activities of EuDA!

Your active participation and contribution to the successes of EuDA will continue with the EuDA Task Group on US Market Access. We wish you all the best in your 'active' retirement and welcome your successor Mr Paul Verheul on board the deck of the EuDA ship.

Thank you, Freek. Good luck to you and Farewell !

Marc STORDIAU, Chairman

The European Dredging Industry: A Maritime Success Story !!!

For the past 20 years, European Dredgers have built up momentum and increased their strength and resilience as individual companies but also as a united and reputable sector organisation.

The Challenges of the Sea

Thanks to maritime transport, the main vector for globalisation, the world has become an ever closely connected place. As a consequence, more and more economical and social activities take place and further develop along the coasts.

The European Dredgers were very quickly faced with challenges such as increasing demand for space and resources (including offshore energy and marine aggregates) in the context of the increasing need to protect our environment. Thanks to long term cooperation with universities and hydraulic labs and also to continuous investment in advanced and high tech equipment, the European Dredgers have developed innovative solutions and new approaches, integrating nature (both physical and ecological aspects) already at the design phase in order to better integrate their projects in nature at the implementation phase.



From “Mud-Pushers” to World Leaders

After 20 years, the European Dredgers are no longer known as the “mud-pushers” but as the well-respected world leaders in a diversified industry segment of high strategic and economic importance. Their knowledge and capacity has allowed the European Dredgers to tackle innovatively many of the world’s new challenges, including the modernisation of ports and their adaptation to the new reality of seaborne trade, the protection and adaptation of coasts to climate change, the procurement of diverse services to the offshore infrastructures.

In its own way, the dredging industry is also a vector of globalisation.

The Influence of Europe

With the increasing impact of European legislation and policies on their activities, European Dredgers decided to join forces and established in December 1993 the European Dredging Association (EuDA). Since then, EuDA has grown into a reliable and reputable European maritime association, shaping European legislation and policies, focusing on transport, environmental, social or trade issues, as well as international, essentially at IMO and ILO.

In order to celebrate in style this important milestone in the lifetime of an association, EuDA was honou-

red to have its conference opened by **Mr Siim Kallas, Commission Vice-President and Commissioner for Transport & Mobility**. In this keynote address, Mr Kallas praised the European dredging industry for its achievements in the past 20 years. He declared that today European dredging is a most successful industry leading world markets with quality and high added value services supplied by well trained and motivated professionals. After reminding the essential role played by dredging for waterborne transport infrastructures, he highlighted some of the main challenges ahead, including the need for “*unhindered access to markets worldwide*” and the implementation of the “*most ambitious transport infrastructure planning ever*” with a 26 bn euro stimulus package through the Trans-European Transport Network (TEN-T) guidelines and the Connecting Europe Facility (CEF). Mr Kallas reaffirmed his support for the continuation of the state aid guidelines to maritime transport, including dredging. He then closed his speech by asking for the support of the dredging industry to its ports’ policy legislative proposal.

Moderated by **Mr John Richardson** (Former Head of European Maritime Policy Task Force), EuDA’s 20th Anniversary Conference celebrated European dredging with the presentation by 5 eminent speakers of 5 projects among the most impressive and innovative ever made by European dredgers around the world:

1° Europe

Maasvlakte (1) vs Maasvlakte 2,
from rocks to sand

by **Mr René van der Plas**

*(Port of Rotterdam, Managing Director of
Maasvlakte 2 Project);*

2° Americas

Panama Canal Expansion

by **Mr Rogelio Gordon**

*(Panama Canal Authority, Executive Manager
Dredging Division)*

3° Oceania

Expansion of the Port of Melbourne

by **Mr Gerard van Raalte**

*(Royal Boskalis Westminster, Hydronic,
Senior Expert)*

4° Asia

Dredging's alternatives to offshore rigs

a) SARB islands by **Mr Stijn Kenis**

*(DEME, Project Manager of SARB Energy
Islands in Abu Dhabi)*

b) Manifa Causeway by **Mr Peter De Pooter**

*(Jan De Nul, Project Director for the Manifa
Field Causeway and Islands in Saudi Arabia)*

Europe - Maasvlakte



Americas - Panama Canal Expansion



Oceania - Port of Melbourne



Asia - SARB islands and Manifa causeway



Conference's key messages

- In 20 years European dredging companies have evolved:
 - from “mud-pushers” to world leaders;
 - from specialised sub-contractors into main construction contractors;
- European dredgers continue to provide indispensable services to the waterborne transport logistic chains;
- In 20 years, European dredging companies have continuously innovated, together with their clients, to improve their performance as well as increase their efficiency and the added value for their clients, to broaden the portfolio of activities and to offer more and more diversified services to current and new maritime (construction) markets worldwide;
- Therefore, European dredgers need unhindered access to markets worldwide;
- European dredgers have had to continuously acquire more knowledge from a broader range of disciplines as well as to develop the needed new skills to integrate them into their projects and processes (including permitting procedures, project design and execution);
- The European dredgers' innovation focus over the years covered a variety of technical improvements addressing a broad range of issues in the hydraulic, geotechnical, nautical, structural (e.g. from hard to soft structures), ecological (e.g. Building with Nature) and communication fields as well as technical improvements for better performing and more efficient vessels and equipment;
- One of the growing strengths of the European dredging companies is the management of complexity, which, besides the capacity to solve complex ‘purely engineering’ problems also includes:
 - the management of multidisciplinary;
 - the management of multicultural;
 - the building of (mutual) trust with the clients and the local stakeholders;
- European dredgers continuously extend the limits of what is feasible: **making yesterday's impossible possible today and working to make today's impossible possible tomorrow.**

“European dredgers work on the impossible to make it possible tomorrow.”

On behalf of the EuDA Board we thank the PRTG members for their excellent work!

The members of the Public Relations Task Group (PRTG) worked towards making the AGM Conference a success! These were the PRTG members in 2013.



Arno Schikker - Chairman
(Royal Boskalis Westminster)



Petra Bruns (Strabag)



Robert de Bruin (Van Oord)



Kirsten Drachmann (Rohde Nielsen)



Heleen Schellinck (Jan De Nul)



Ann Wittermans (DEME)



Paris Sansoglou (EuDA)

Participants and guests at the EuDA AGM 2013







research and development policy

Bright ideas fuel the golden beam towards excellence

Multidisciplinary cooperation, R&D, innovation and continuous investment in advanced high tech equipment, have brought and kept the European Dredgers at the cutting edge of knowledge and technology at the service of maritime transport and other coastal infrastructures, offshore energy, marine aggregates, ...

European dredgers innovating around the world

In the high tech maritime market segments where the European dredgers are active, the only way to keep growing and maintain global leadership is to innovate, and to innovate faster than the competitors can copy. Therefore, the European dredging companies continuously invest in R&D and Innovation to improve the efficiency of their vessels, systems, processes and operations but they also invest significant amounts in new exploring and testing equipment to improve global environment conditions. EuDA members invested over 7 bn euro from 2008-2012 in new equipment and in RDI. World leadership in global markets is not a destination but a continuously moving target.

Horizon 2020

Horizon 2020 (H2020) is the 8th EU Framework Programme for Research and Innovation (also known as FP8). H2020 is the financial instrument which will implement the 'Innovation Union', the pillar for research, development and innovation (RDI) of the 'Europe 2020' strategy for European global competitiveness. With over 79 bn euro of funding to be allocated over a period of 7 years (from 2014 to 2020), H2020 is the biggest Research

Framework Programme to date. This public European money is complemented with private investments of a similar order of scale.

By coupling research and innovation, H2020 aims at ensuring that Europe produces world-class science, removes barriers to innovation and makes it easier for the public and private sectors to work together in delivering innovation. Besides, Horizon 2020 ambitions to achieve industrial leadership and to tackle selected main societal challenges.

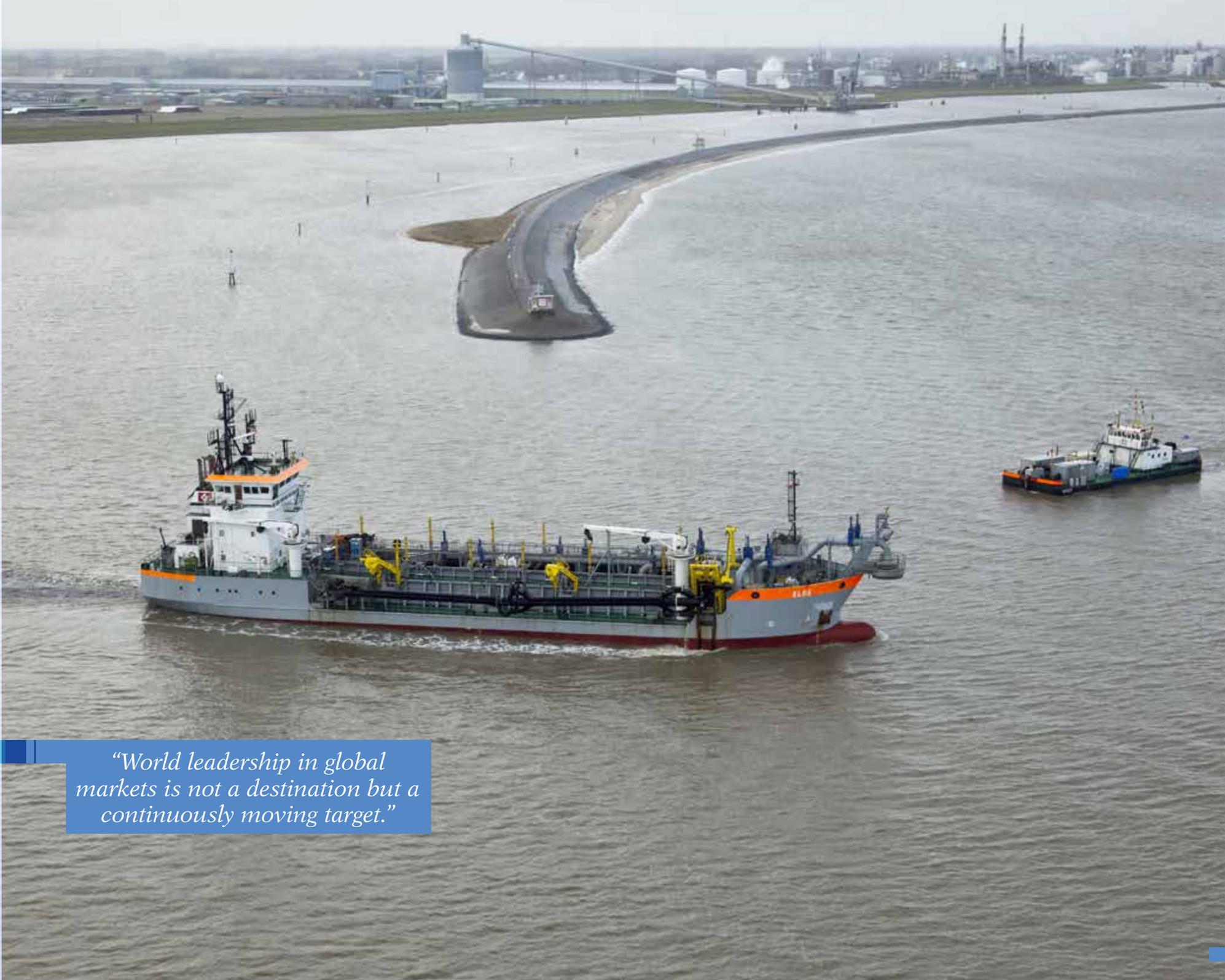


Horizon 2020 budget per main theme

EU REGULATION (2014-2020) mio euro

I Excellent science:	24,598	
II Industrial leadership, including:	17,938	
1. Leadership in enabling and industrial technologies		13,345
<i>including nanotechnologies, advanced materials and advanced manufacturing and processing</i>		3,797
2. Access to risk finance:		3,538
<i>including implementation of Strategic Energy Technology Plan projects</i>		1,000
III Societal challenges, including	31,748	
3. Secure, clean and efficient energy		5,599
4. Smart, green and integrated transport		6,587
5. Climate action, resource efficiency and raw materials		3,060
European Institute of Innovation and Technology (EIT)	2,800	
Non-nuclear direct actions of the Joint Research Centre	1,962	
TOTAL EU REGULATION	77,606	
TOTAL EURATOM REGULATION	1,665	
TOTAL HORIZON 2020	79,271	

Among the funding towards the Societal challenges, over € 15 bn euro are going towards *Secure, clean and efficient energy; Smart, green and integrated transport* as well as *Climate action, resource efficiency and raw materials*.



“World leadership in global markets is not a destination but a continuously moving target.”

Smart, Green and Integrated Transport

The H2020 Transport Challenge aims at increasing the **competitiveness of the European transport** industries and at transforming the European transport into a system that is resource-efficient, climate-and-environmentally-friendly, safe and seamless for the benefit of all citizens, the economy and society. The Transport Challenge was allocated a budget of 6,339 mio euro.

With more than 90% of world trade waterborne, waterborne transport plays a central role in Europe's logistics chains. Besides their use for transport however, by 2050, European waters, maritime and inland, will also be needed for food production, energy generation, mineral exploitation, residences, tourism, manufacturing, trade and natural (biological or physical) cycles. All these uses, combined or not, represent major challenges that can be transformed into opportunities for European industries:

European maritime sector facts	
Yearly turnover	270 bn euro
Direct employment	1,5 mio people

- when barriers to technological uptake are removed,
- when innovation reduces ships' emissions or captures atmospheric carbon (blue carbon, see also in Chapter 3),
- when safety requirements are met with an in depth understanding of risks, technologies and operations,
- when highly specialised designers, manufacturing and operating personnel are properly trained
- and then the powerful European know-how can be used to develop a new future in the global competitive waterborne environment.

In the H2020 Transport Challenge, WATERBORNE has identified several the Societal and Economic Challenges, some of which need to be tackled more urgently than others and preferably at European level. To improve the competitiveness and performance of European transport manufacturing industries and related services, a selection of WATERBORNE industries have grouped together behind developing the concept of a contractual PPP at European level.

WATERBORNE PPP: Vessels for the Future

Taking guidance from the WATERBORNE Strategic Research Agenda, the Integrated Maritime Policy, the Blue Growth, the White Paper on Transport, the Strategic Transport Technology Plan and

the LeaderShip 2020 Initiative, the European Technology Platform WATERBORNE concluded that a close cooperation, such as a Private-Public-Partnership (PPP), between the industry and European authorities should accelerate research, development and demonstration of technologies and allow for major step changes to achieve maximum vessel efficiency and safety, with the integration of vessels into the exploitation of resources and waterborne infrastructures. Therefore, WATERBORNE focused its new initiative on Vessels and Operations and articulated it along 2 pillars:

- **Eco-Efficient Vessel** *which aims at emissions reduction of CO₂ of more than 80%, near 100% of NO_x and SO_x, and noise reduction by 10dB.*
- **Towards Zero Accident** *which aims at reducing the risk of accidents in pre-accident, during accident and post-accident phases foreseen for all vessels in magnitudes from 20% to 50% and a reduction of up to 80% for casualties in post-accident phase.*

These 2 pillars will be structured around 6 Technology Arenas: Energy Management (reduced and efficient power use on board), Hull/Water Interface (improved hydrodynamic performances and a

reduced vessel impact on the sea), IT & e-Maritime (safer, secure and more efficient maritime transport), Materials Design & Production (improved vessel and process performance), Propulsion systems & Fuels (efficient and environmentally friendly powering), New Vessels & Systems Concepts (innovative services).

This initiative will look at three main groups of vessels: passenger vessels, cargo vessels, and complex special vessels (such as dredgers, workboats, tugs, research vessels, offshore service vessel, platforms,

cable- and pipe-laying vessels, fishing vessels, etc.). Ready to commit for the coming 7 years, the stakeholders estimated that a total funding of 0,40 bn euro would be necessary throughout HORIZON 2020 (between 55 M euro to 60 M euro per annum) to reach tangible outcomes. This figure should be compared with 5 bn euro invested annually in RDI by the waterborne sector outside of any public support scheme.



Climate Action, Environment, Resource Efficiency and Raw Materials

The activities in the H2020 Environment Challenge aim first at assuring environmental integrity, resilience and sustainability with the aim of keeping average global warming below 2° C and enabling ecosystems and society to adapt to climate change and other environmental changes. At the same time, these research activities should help increase European competitiveness, increase raw materials' security and improve wellbeing. The global market for eco-innovation is worth around 1 trillion euro per annum and should probably triple by 2030. The eco-innovation markets represent major opportunities for the European economy to boost competitiveness and jobs.

Research and eco-innovation projects that will be funded under the Environment Challenge should help make economy and society resource-efficient and water-efficient as well as climate change resilient. In other words, this means fighting climate change and adapting to it while at the same time protecting and managing sustainably the natural resources, water, biodiversity and ecosystems as well as ensuring the sustainable supply of non-energy and non-agricultural raw materials.

Appropriate funding for a research project ?

In most sectors, finding sufficient and right financing for projects has become more and more difficult and critical, especially after the 2008 global financial crisis. This is particularly true for research, development and innovation (RDI) projects, despite the fact that innovation is one of the key drivers of the European companies' competitiveness.

When considering research, particularly applied research, the most used and only taxonomy is the Technology Readiness Levels (TRL), as designed by NASA. They have identified 9 stages from very early stage to final stages of testing (often overlapping with the early stages of commercialisation). For the simplification of their presentation, the 9 stages have been regrouped in 3 phases of applied research: a **Conceptualisation phase** (roughly TRL 1 Basic principles - TRL 2 Technology concept - TRL 3 Proof of concept); a **Validation phase** (roughly TRL 4 Component/subsystem validation in laboratory environment - TRL 5 System/subsystem/component validation in relevant environment - TRL 6 System/subsystem model or prototyping

demonstration in a relevant end-to-end environment); and a **Prototyping phase** (roughly TRL 7 System prototyping demonstration in an operational environment - TRL 8 Actual system completed and "mission qualified" through test and demonstration in an operational environment). The last stage, TRL 9 Actual system "mission proven" through successful mission operations, can be overlapping with the **Commercialisation phase**.

The diagram on the next page illustrates these phases and presents the possible sources of appropriate funding matching each stage's project risks and financial needs.

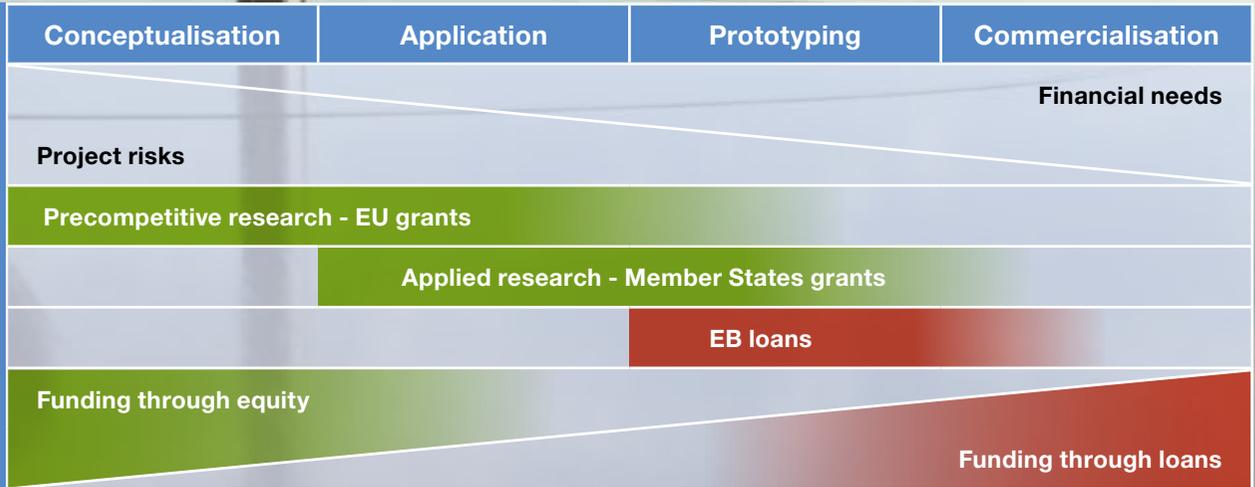
Although research might appear as a continuous flow from basic concept to the commercialised end-products or end-services, each stage requires careful assessment and careful financial planning. As each successful project evolves through the generic stages, the investment cost will generally increase against a progressive reduction in project risk. Each new research stage needs renewed and adapted

funding. As a rule of thumb, own funds should be higher in early stages to match the project's relatively high risk. Typical sources of financing include own funds, loans and grants. The proportion of each in the funding portfolio should reflect the perceived risk of the project at each stage. The purpose of grants, from regional, national or European funds, is to provide support to these projects that are not (yet) close to market and for which the funding would have been an issue without the extra support. EU grants typically fund "pre-competitive" projects and long-term research planning. Member States decide to further support a selection of their national champions' research activities. Financing research with bank loans, through EIB or commercial banks, is appropriate when the projects get closer to commercialisation.

As innovation plays an essential part for the competitiveness of high tech, high wage and high added value industries, such as dredging, so does proper financing for innovation, becoming of strategic, even vital, importance.



“Proper financing for innovation has become of vital importance for industries such as dredging.”





environmental policy

Sustainable approaches earn the golden stars

Thanks to their long term cooperation with universities and hydraulic labs, the European Dredgers have acquired new knowledge and developed innovative solutions and new approaches to better integrate nature, in both its physical as well as ecological dimensions, at the design phase so that their projects better integrate in nature and even provide new opportunities for nature to grow.

In 2013, EuDA's activities included work on the following main topics:

- *CO₂ Emissions and other emissions (PM, NO_x, SO_x, VOCs);*
- *Revised Waste Framework Directive and Ship Recycling;*
- *Habitats and Biodiversity;*
- *Revision of Environmental Impact Assessment Directive;*
- *International developments.*

CO₂ Emissions and other emissions in ports (PM, NO_x, SO_x, VOCs)

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

Besides GHGs emissions, 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.

Control of Sulphur Emissions from Ships

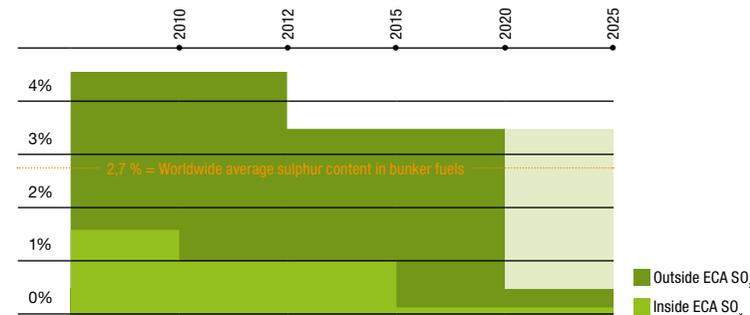
The Sulphur Directive was finally adopted by the European Council on **21/11/2012**, confirming that

the limits for the sulphur content of marine fuels used in designated SO₂ Emission Control Areas (SE-CAs) will be **0.10% as from 01/01/2015** (in line with the Annex VI of the MARPOL Convention).

The main concerns for the members of EuDA with regards to the compliance to the upcoming sulphur emissions requirements were to find out which realistic technical options existed on the market for the

Graph: Sulphur limits evolution 2010 - 2020/25*

*depending on the outcome of a review, to be concluded in 2018 (could be deferred to 01/01/2025)



2013 Members EuDA Environment Committee from left to the right

P. van der Klis (EnvCom Chairman, Van Oord), G. van Raalte (Boskalis), M. Russel (BMAPA), E. Mink (Interel), C. Schillemans (Vereniging van Waterbouwers), I. Pallemans (JDN), P. Vercrujse (DEME) and P. Sansoglou (EuDA).

dredgers and whether there were particular technical issues. To address these concerns, EuDA organised on 23/04/2013 an internal workshop, reviewing the technical and legal options for the dredgers with regards to the sulphur requirements in the Sulphur

Emission Control Areas (SECAs), such as the Baltic Sea and the North Sea. Representatives from the shipowners, from the engine and scrubber manufacturers, from NO_x SCR technology and Oil & Gas refiners as well as from dredgers were invited to speak.

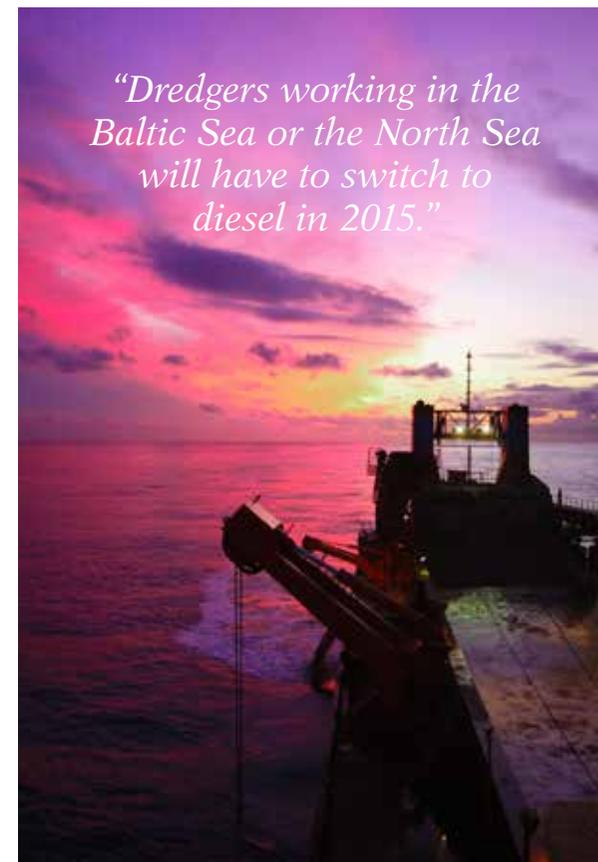
Workshop Findings

The EnvCom Chairman, Mr Pieter van der Klis, was chairing the workshop during which the following findings were made:

- There are no major pending legal issues of concern for the dredgers;
- As far as the engine manufacturers are concerned, **fully compliant technology is available for SO_x and for NO_x**;
- The same goes as far as the scrubber manufacturers are concerned. *However, the dredgers clearly pointed stated that installation's and operations' costs (CAPEX and OPEX) should be significantly reduced and that the equipment needs to be more reliable, operationally robust and compact;*
- After their political statement on the risk of reverse modal shift from sea to shore, the technical feedback from the shipowners lacked the optimism of their technology suppliers and highlighted serious issues that still need to be resolved (such as effec-

tive compliance, waste management and engine efficiency losses);

- Oil refiners and Energy suppliers face complex markets and strategic options (more or less Heavy Fuel Oil; LNG distribution network; ...) which require huge investments (between US\$ 30 bn and US\$ 50 bn). With the uncertainty on future fuel demand and as Europe is a receding market, the BRICS countries (Brazil, Russia, India, China and South Africa) will continue to attract the majority of the investments;
- As long as worldwide availability for a particular type of fuel is not achieved this fuel cannot be integrated in the strategy of internationally operating dredging companies;
- The most realistic technical solution for the dredgers working in a SECA to comply to the sulphur requirements is to use marine diesel oil and make the switch from heavy fuel oil.



On the basis of the workshop findings, EuDA published on the day of the 2013 AGM, 7th November 2013, an Information Paper on Sulphur, on the technical situation and the available options for the dredgers working in Emission Control Areas.

Revised Waste Framework Directive and Ship Recycling

“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 legislations. As it appears there is some sort of divide between some Northern and some Southern EU countries. EuDA approached the UK, Spain and Italy with mitigated reaction: the UK ports were satisfied with their current national legislation and were reluc-

tant to change the existing common understanding (between stakeholders and administrations for the delivery of the dredging and relocation permits); in Spain, the local support from the ports could lead to the organisation of a (local) experts workshop on the issue, however its timing still has to be decided; while in Italy, the opportunistic approach of EuDA gave it a lot more visibility but no concrete result in terms of adaption of the local legislation.

EuDA joined forces with the shipowners (ECSA) and the ports (ESPO) to successfully convince a majority of the European Members of Parliament to reject the proposal by the Environment Committee (ENVI) to establish a Ship Recycling Levy for all ships calling in a European Port. Such a levy would have seriously affected the competitiveness of EU ports (significant costs increase for ships calling at EU ports) and would have probably worked against improving recycling conditions (penalising the shipowners having invested in new ships fully compliant with the Hong Kong Convention).





“Dredged material is mainly a resource to put to beneficial use.”

Habitat Directive and Expert Group on River environments

Ems Case and the Environmental Assessments in the European legislation

With regards to the Ems Case, EuDA prepared a paper summarising the whole case and highlighting both lessons learned and recommendations to policy and decision makers.

Ems Case overview

31/05/1994	17/02/2006	20/02/2008	26/05/2008	09/07/2009	14/01/2010	22/11/2010
Capital dredging authorisation (channel deepening for ships with 7.3 m draught)	Lower Ems and Outer Ems included in Natura 2000 sites	Court Case Stadt Papenburg vs Bundesrepublik Deutschland	Reference to European Court of Justice by Verwaltungsgericht Oldenburg	Opinion of European Court of Justice Advocate General	Judgment of the European Court of Justice (Second Chamber)	Judgment of Verwaltungsgericht Oldenburg

In its Ems Case Paper, EuDA identified two main issues which could potentially harm the industry:

- the Habitats Directive does not provide the definition of ‘project’ or ‘plan’;
- the absence of distinction between capital and maintenance dredging in the ruling by the European Court of Justice.

Moreover, a pragmatic way forward was proposed by both the German government (Federal Ministry of Transport, Building and Urban Development) and the European Commission: maintenance dredging are operations not projects and should be included in the authorisation for capital dredging projects. In some exceptional cases, additional appropriate assessment can be considered (for example because of changing techniques, conditions or regularity).

Where possible, design and performance of recurring maintenance dredging should aim at achieving both navigation and Natura 2000 conservation objectives and be included into the management plan of these protected areas.

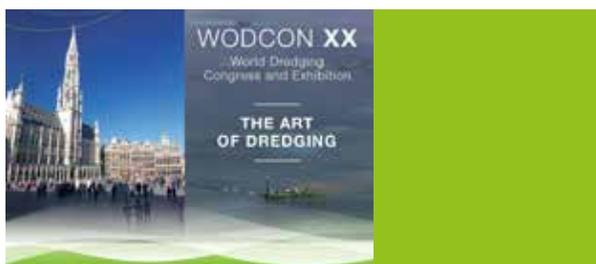


EuDA participated in the CEDA panel discussion on “*marine infrastructure projects and the EU Habitats Directive: lessons learned*” and made a presentation on “*Maintenance dredging in the Ems and Natura 2000*”, based on the EuDA Ems Case Paper. EuDA intends to continue to promote the pragmatic way forward as highlighted in its paper.

With regards to the cooperation with CEDA, EuDA also participated to the CEDA Working Group on Ecosystems and actively contributed to the resulting information paper. EuDA was also represented at the Commission conference on this subject.



“Dredged material is mainly a resource to put to beneficial use.”



International developments

WODCON XX (Brussels)

WODCON XX, the 20th World Dredging Congress, took place in Brussels (for the first time in its near 50 years existence). EuDA seized the opportunity and presented a paper on Blue Carbon and its possible opportunities for the European dredgers.

‘Blue carbon’ is the atmospheric carbon captured (by photosynthesis) and stored (in plants, animals or soils) by the world’s oceans and coastal biotopes (mangroves, seagrasses, salt marshes, coral reefs, etc.).

EuDA highlighted the following:

- ‘Blue carbon’ ecosystems play a significant role in the global carbon cycles and represent important natural carbon sinks;
- The coastal biotopes of salt marshes, mangrove forests and seagrass beds disappear at an alarming rate and their enhancement, restoration or development ought to be better integrated in the

coastal development projects (using approaches such as Building with Nature);

- Conservation, restoration and development of these ecosystems are not only important in relation with the carbon cycles, but also because it will enable them to keep on providing a range of valuable other services.
- EuDA also advised policy makers to consider that
- the initiatives for restoration and re-building need to be co-ordinated at international level and implemented by national or regional authorities;
 - from the CO₂ and carbon uptake rates, estimated in the paper, offsetting of (part of) the CO₂ emissions by the dredging fleet by restoring ‘blue carbon’ biotopes should be considered in cooperation with other sectors, stakeholders and national governments;
 - EuDA estimated that to capture the annual CO₂ emissions of its fleet, the biotope surfaces that would need to be restored would amount to
 - 2,700 km² of salt marshes or;
 - 2,500 km² of mangrove forests (-size of Luxembourg) or;
 - 4,600 km² of seagrass beds.
 - this will require political recognition and support, as well as a fair way of risk sharing among parties involved;
 - research activities that improve the understanding

of the technical and ecological possibilities and limitations of, and the optimal conditions for, such ecosystem restoration programmes are needed;

- the dredging sector at large can and should play an important role in implementing programmes for the restoration and development of the blue carbon biotopes, but cannot solve this problem on its own.

Cooperation with other organisations

As part of EuDA’s general strategy, good cooperation is maintained with policy working groups dealing with dredging issues from different perspectives. In this context, EuDA actively participated in the PIANC EnviCom and continued its close cooperation with the CEDA Environment Committee and with the ESPO Sustainable Working Group. EuDA is an active member of the CEDA WG on Ecosystems Services. Since 2012, EuDA is also cooperating with the Marine Aggregate Working Group of the European Aggregates Association (UEPG). Moreover, EuDA continued its active participation in the Support Group of the European Technology Platform WATERBORNE setting the research priorities to be funded by the EU RDI framework programmes.

Finally, as an observer organisation in HELCOM, EuDA attended the 2013 Commission meeting.

Thank you, Bart!

Bart Callaert joined the EuDA Environment Committee in 2010 and reinforced the team with the expert views from Envisan, the Environmental Division from Jan De Nul. We appreciated your active participation to the discussions and your valuable contributions with regards to the latest 'politically correct' jargon to use about dredging activities.



B. Callaert

On behalf of the EuDA Environment Committee, we would like to take this opportunity to thank you, Bart, for your commitment to the EuDA Environment Committee and for the time and advice you gave us with regards to environmental issues and legislation affecting the European dredgers.

We appreciated your enthusiastic contributions and clear points. We wish you all the best in your new endeavour and welcome your successor Mr Ivo Pallemans in your stead.

Thank you, Bart
Farewell !

**Pieter van der Klis,
EnvCom Chairman**

Thank you, Fay!

Fay van Dongen joined the EuDA Environment Committee in 2009. She strengthened the Committee with a very well appreciated representative of the Dutch Federation and very knowledgeable about the practical details on national issues. Fay became the useful relay between European environmental legislation and its national implementation in the Netherlands.



F. van Dongen

On behalf of the EuDA Environment Committee, we would like to take this opportunity to thank you, Fay, for your commitment to the EuDA Environment Committee and for the time and advice you gave us with regards to environmental legislation affecting the European dredgers.

We appreciated your enthusiastic contributions and clear points that we will continue to enjoy in the EuDA CO₂ Working Group.

We wish you all the best in your new endeavour and welcome your successor Mrs Chantal Schillemans in our midst.

Thank you, Fay
Farewell !

**Pieter van der Klis,
EnvCom Chairman**





climate change and coastal protection policy

Going for gold on alarming issues

Tackling the possible consequences of Climate Change, Sea-Level Rise and increased frequency of extreme events, lists among the most important issues on the political agendas of governments around the world. The European Dredgers can offer innovative solutions to adapting to or mitigating these threats. Restoration of Blue Carbon habitats can help capture atmospheric CO₂ and offset some of the anthropogenic emissions. While coastal and flood defences erected by the European Dredgers can prevent or mitigate threats from the sea.



W. Dirks (TGEF Chairman, Van Oord)

2013 Members EuDA CO₂ Working Group from left to the right

P. J. van der Giessen (Boskalis), Fay van Dongen (Vereniging van Waterbouwers), P. Vercruijse (DEME), P. Tison (JDN), E. Mink (EuDA technical advisor), R. Kolman (IADC) and P. Sansoglou (EuDA)

CO₂ Emissions

In 2013, EuDA's Working Group on CO₂ (CO₂ WG) continued its work towards the implementation of the EuDA common CO₂ Strategy. The main efforts of the CO₂ WG were dedicated to complete and discuss a targeted CO₂ External Communication of the CO₂ emissions calculations and methodologies with one specifically selected client.

EuDA CO₂ Strategy

The main objective of the CO₂ Strategy is to build a better understanding of 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 multi-level lobbying from IMO to the European Commission and Member States. In 2010, EuDA and IADC made a joint Statement informing that the IMO Energy

Efficiency Design Index (EEDI), as it stood, could not be implemented to the dredging vessels. Instead, the associations proposed to develop an alternative industry approach to reach the same goal.

The EuDA CO₂ Strategy is gathering information, building in-house knowledge and understanding which will serve to formulate specific messages to be communicated to a selection of relevant parties. Besides the contacts with IMO, the CO₂ WG has been maintaining good relations with the European Commission's services and regularly informed and raised the awareness of DG CLIMA Officials on the specific situation of the dredgers.

“Objective industry data helps the decision-makers to set more realistic targets.”

Communication as a Process

EuDA prepared an “External Communication” on the basis of the detailed TGEF Report. Approved by the EuDA Board, the document has been the centre-piece of a communication process between dredgers and a selected client to exchange complex information such as reliable industry-backed methodologies and solid data to establish realistic emissions estimations for dredging projects.

Although proactive, this initiative of EuDA is timely and anticipates the growing trend among European public administrations to include CO₂ emissions (performance) in the requirements of the future tenders, while also trying to improve level playing field during the tendering phase. When wrongly taken into account by consultants because dredging processes are misunderstood, or when the calculation methods are neither fair nor transparent, these



CO₂ requirements could represent a potential threat to the industry.

The External Communication was designed as an interactive document within an iterative process through which, Dredgers can exchange complex information, build mutual understanding and, more importantly, build mutual trust with their clients.

Rijkswaterstaat (RWS) was selected as the first step of the global approach of the EuDA CO₂ Strategy. With the support of EuDA documents, a delegation of Dutch Dredgers, met with RWS on repeated occasions to present the External Communication on Trailing Suction Hopper Dredgers (TSHDs) and explained the general approach as well as the methodology.

The EuDA External Communication was received with enthusiasm by RWS officials, who welcomed the initiative and appreciated the approach taken by EuDA. After analysing the document, RWS intends to use the appropriate (industry-backed) method for the calculation of the CO₂ emissions from the dredging projects and improve the CO₂ emissions estimates by DuBoCalc (“**Duurzaam Bouwen Calculator**”, their internal calculation tool). RWS also confirmed that, by doing so, the EuDA initiative would

significantly help RWS in reaching its objective of sustainable procurement. RWS appreciated that the optimisation of emissions was left to the contractor’s choice of equipment and how to use it.

The EuDA External Communication is a living document and is adapted according to feedback from the clients. In this context, RWS had listed questions and requests with regards to the document’s content to which EuDA will provide the input and revised its document accordingly. EuDA’s support is aiming at providing objective and verifiable facts, data and methods to the decision-makers to allow them to set more realistic targets.

DG CLIMA MRV Regulation

In June 2013, the European Commission made a proposal of a new regulation on the Monitoring, Reporting and Verification (MRV) of carbon dioxide (CO₂) emissions from maritime transport and amending Regulation (EU) No 525/2013. This proposal was accompanied with a political communication stating the main objectives to be achieved by the proposed legislation.

The proposal should create an EU-wide legal framework for collecting and publishing verified annual data on CO₂ emissions from all large ships (over

5,000 gross tons) that use EU ports, irrespective of where the ships are registered. If validated by the European Parliament and the Council, these rules would apply from **01/01/2018**. The current text is clearly aimed at shipping activities and it is not quite clear whether working vessels such as dredgers are included in its scope or not. In 2014, EuDA will further analyse the situation and work towards a clearer interpretation and implementation.

In principle, the MRV system should allow the Commission to be better informed on the CO₂ emissions from shipping and on the targets it should set to achieve its own objectives (reduction by at least 40% in shipping emissions by 2050). The Commission’s objectives include: in a first phase, the implementation of MRV and the establishment of the actual CO₂ emissions from maritime transport; in a second phase, the establishment of (agreed) global energy efficiency standard; and finally in a last phase, the introduction of a Market Based Measure (MBM) even if it is only implemented in Europe. EuDA has repeatedly insisted and will continue to insist on the necessity to work at international level when dealing with shipping which is a truly global industry. The introduction of ‘regional’ measures can only lead to market distortions.

Table 1: EuDA fleet CO₂ emissions (2008-2012).

Source: EuDA

EuDA Sea-going dredging equipment		Installed power kW	Fuel consumption ton	CO ₂ emissions ton
2008	Global operations and emissions	1,510,000	1,090,000	3,440,000
	European operations and emissions	420,000	280,000	880,000
2009	Global operations and emissions	1,587,000	1,016,000	3,211,000
	European operations and emissions	511,000	307,000	1,088,000
2010	Global operations and emissions	1,591,462	998,930	3,155,225
	European operations and emissions	654,069	419,853	1,326,014
2011	Global operations and emissions	1,779,152	1,002,702	3,163,003
	European operations and emissions	636,790	356,809	1,126,267
2012	Global operations and emissions	1,845,002	995,998	3,108,075
	European operations and emissions	501,981	283,388	896,361

EuDA CO₂ emission figures 2012

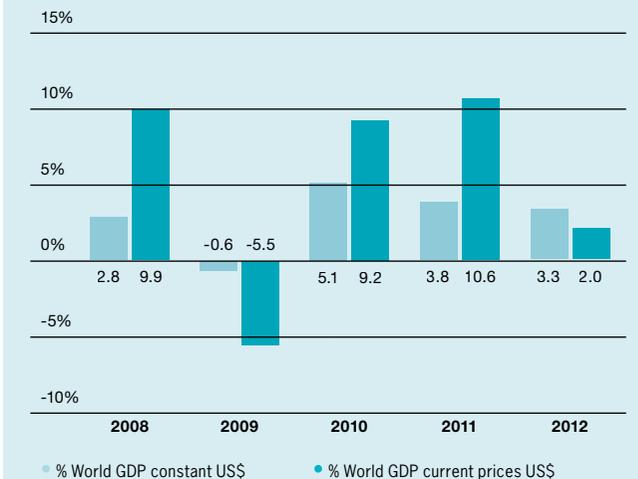
As part of the EuDA CO₂ Strategy, the CO₂ Working Group is collecting and compiling on an annual basis the data for the CO₂ emissions of the European dredging fleet in 2012.

In absolute numbers, the world seagoing dredging fleet was estimated to have produced 6.3 mio ton of CO₂ in 2008. The emissions of the European Dredgers (EuDA members) in 2008 were about 3.4 mio ton.

From 2009, the European dredgers' CO₂ emissions dropped progressively from an estimated at 3.2 mio ton to 3.1 mio ton in 2012.

The figures in Table 1 confirm that the world-wide CO₂ emissions of the European Dredgers are decreasing since 2008. The reduction in the CO₂ emissions can be partly attributed to the effects of the economic crisis, reducing the level of occupancy. With the reclamation phase of Maasvlakte 2 con-

Graph 1: Evolution of World GDP (2008-2012).



Source: IMF

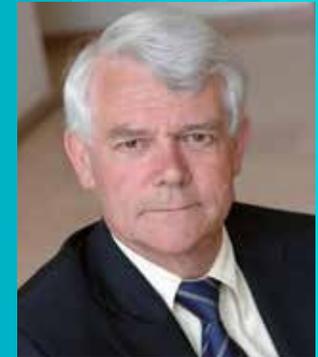
cluding in the Netherlands, the level of activity (and CO₂ emissions) in Europe, which peaked in 2010, is returning progressively to its 2008 levels.





Thank you, Erik!

Very few members of any EuDA committee or working group have contributed as much as you have to the environmental policy lines taken by the European Dredgers. You have been with EuDA from the very beginning in 1994 and helped put it on the European Institutions' map as well as build up its reputation as a constructive stakeholder.



E. Mink

When we established the CO₂ WG in 2008, you naturally joined the group and participated very actively to its work, concentrating on CO₂ emissions, an issue of continuously growing importance for industries and politicians around the world. We did not always agree on the line to take but the discussions provided EuDA's positions with stronger arguments and made them stronger.

We respect your decision to leave our working group, in order to progressively reduce your activities and softly transit towards a well-deserved retirement. On behalf of the EuDA CO₂ WG, we would like to take this opportunity to thank you very much, Erik, for your commitment to EuDA in general and to its CO₂ WG in particular. We thank you for the time and for the valuable advice you gave us over the years. We appreciated your enthusiastic contributions and clear points that the Environment Committee will continue to enjoy for a moment.

We wish you all the best in your new endeavours.

Thank you, Erik. Farewell!

Wouter Dirks, CO₂ WG Chairman





social policy

Human factor, the European values' golden anchor

The Human Factor is deeply anchored among the core European values. With more than 40% of the dredging personnel holding Bachelors or higher Degrees, the European dredgers boast a key competitive advantage and take especially good care of their well-trained, well-educated, highly skilled and enthusiastic workforce.



2013 Members EuDA Social Committee from left to the right
 B. Monteyne (Chairman, DEME), B. T. Franzen (Rohde Nielsen), H. Bleker (Vereniging van Waterbouwers), P. Piron (Jan De Nul), A. Heijnen (Van Oord), R. Veenstra (Boskalis), P. Sansoglou (EuDA)

In 2013, EuDA's activities included work on the following main topics:

- *EU State Aid: decision by DG Competition;*
- *Implementation of the Maritime Labour Convention at European level;*
- *Consultation on Pilotage Exemption Certificates by DG MOVE;*
- *Revision of 6 European Directives to improve seafarers' protection.*

EU State Aid: decision by DG Competition

After finalising the analysis of all the contributions to its consultation on the revision of the State Aid Guidelines to Maritime Transport, DG Competition concluded that there was no reason to remove any currently accepted benefits.

Therefore, the Commission Vice-President and Commissioner for Competition, Mr Joaquín Almunia, decided **to extend the maritime guidelines without a change.** The communication of this decision was made directly to the Member States in September 2013 without any other form of public announcement. The decision by Vice-President Almunia should be presented to its colleagues for validation and commitment of the entire Commission (as a College of Commissioners) but it will probably not be until the next Commission is elected in October 2014.

The decision of extension of the State Aid Guidelines to Maritime Transport is nevertheless valid and will keep these guidelines unchanged for an undetermined period of time and without any revision date announced. This means that dredgers will continue to be included in its scope but that unfortunately the

other requests of the dredgers will not be considered at this stage. The European Dredgers pleaded to be exempted from the obligation to demonstrate 50% of the annual operating time in maritime activities ("50% rule") and to include the Cutter Suction Dredgers (CSDs) in the scope of the Guidelines.

In the medium to long term, it is expected that the clarifications linked to the decisions on past cases (e.g. the Danish case) would be integrated in the guidelines at the initiative of DG COMP itself. The Danish case clarified that most of the dredging cycle had been included in the scope of the guidelines (excluding only the extraction/loading phase). Would this phase of the dredging cycle be in the scope of the guidelines, the European Dredgers would not be subjected to the "50% rule" and its heavy, burdensome, costly and unnecessary administrative procedure.

In its dialogue with DG Competition, EuDA will collect data, evidence and prepare arguments supporting the soundness of its requests.

Implementation of the Maritime Labour Convention at European level

The ILO Maritime Labour Convention was ratified in August 2012 and came into force on August 2013. The latest ratifications brought the number of signatories to 51 Flag States representing around 80% of the world tonnage. Among these, the remaining Flag States of interest to EuDA members, namely Belgium, UK and Germany, have all ratified. However, the Convention will only be in force in these Flag States in 2014.

This delay given to the Flag State administrations gives them 12 months (from the date of the national ratification) to complete the process of MLC certification. In the meantime, as the Convention is ratified and in force, all ships have already to comply with MLC 2006, since August 2013, with all the systems in place on board the ship and functioning with the proof of compliance (MLC certificate or equivalent).

Consultation on Pilotage Exemption Certificates by DG MOVE

DG MOVE's Unit D1 in charge of Maritime Transport and Logistics organised a public consultation on Pilotage Exemption Certificates (PECs). The situation with PECs is not harmonised within the EU and the consultation attempted to prepare the ground for a European legislative framework to improve the situation, including transparency and level playing field in the local administrations.

The consultation was based on the 2012 study which found out that PECs did not negatively impact safety. After compilation and analysis of all contributions, the Commission will proceed with an impact assessment to support the decision on the policy option (do nothing, propose guidelines, legislate). At this point in time, no commitment can be confirmed, however, the legislation would probably be a likely option. Because of the timing (renewal of the institutions by May 2014), there will realistically be no concrete proposal before the end of 2014.

The European Dredgers' position on the PECs is to harmonise procedures across the EU Member States, to keep administration simple and transparent as well as to avoid unnecessary costs.

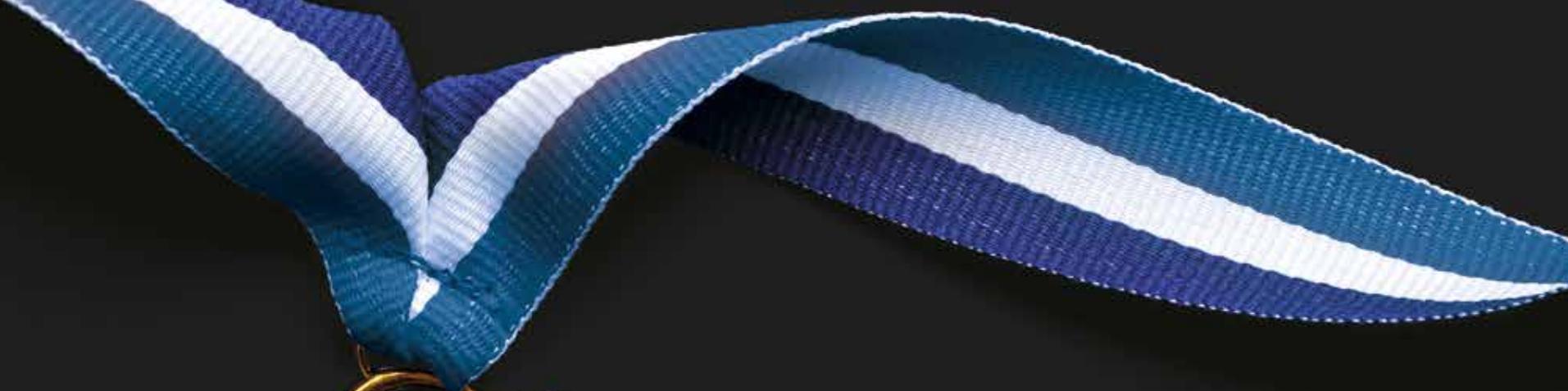
Revision of 6 European Directives to improve seafarers' protection

The Commission proposed to amend 6 European Directives in order to repeal the existing seafarers' exclusions and make sure that the seafarers' protection is increased (but not reduced: "non-regression clause"). The 6 directives are the following:

- 1° Directive 1996/71/EC on Posting of Workers;
- 2° Directive 1998/59/EC on Collective Redundancies;
- 3° Directive 2001/23/EC on Transfer of Undertakings;
- 4° Directive 2002/14/EC on Informing and Consulting Employees;
- 5° Directive 2008/94/EC on Employer's Insolvency;
- 6° Directive 2009/38/EC on European Works Council.

Although, it is difficult to assess the impact of these changes for the dredgers, EuDA's general interpretation was that in most cases the member dredging companies are already compliant and that these revisions will have limited or no impact on them.

“PECs procedures should be harmonised across the EU Member States with a simple and transparent administration minimising costs.”





international markets policy

Global golden rules for well-deserved Success

European dredgers are world leaders in all open dredging markets. However, it is estimated that at least a third of the possible markets around the world are closed or made inaccessible to foreign competition. Progress can only be achieved through opening the markets and establishing a global level playing field.

Following the failure of the WTO Doha Round, the direct 'bilateral' agreements have received the preference over the WTO multilateral approach. In this context, the EU has been engaging in trade negotiations to conclude New Generation Free Trade Agreements with priority trade partners from Asia such as ASEAN, India, Vietnam, Malaysia, Singapore, South Korea or Japan, from Latin America such as MERCOSUR, Colombia, Peru or Central America, from North America such as Canada and the US, and from African, Caribbean and Pacific countries such as South Africa.

EU-Canada negotiations: Comprehensive Economic and Trade Agreement (CETA)

Member of the G7 and typical free trade supporter, Canada is both an important ally and trade partner for the EU. Therefore, strengthening the economic and trade relationship with Canada is an important priority. A future agreement should contribute to economic growth and the creation of jobs in both economic zones.

In May 2009, the EU and Canada have started negotiating a Free Trade Agreement, the Comprehensive Economic and Trade Agreement (CETA). 4 years later, on 18 October 2013, EU and Canada reached

a **political agreement** on the key elements and principles to be included in the CETA. The agreement should remove over 99% of tariffs between the two economies and create sizeable new market access opportunities in services (including dredging) and investment. However, the process of this agreement is not fully completed and, once a final text, translating the political agreement, is agreed between the negotiators (the technical teams on both sides) then this text will need to be approved, on the European side, by the European Council and the European Parliament and, on the Canadian side, by the provinces.

EU's and Canada's political agreement on CETA included:

- most industrial, agricultural and fisheries duties should be eliminated by the agreement's entry into force;
- the EU and Canada will foster closer contacts in the field of technical regulations;
- EU car standards should be recognised by Canada, stimulating EU exports of cars;
- EU companies will have better access to key Canadian sectors such as financial services, telecommunications, energy and maritime transport;
- European Dredgers' access to the Canadian Market should be improved.

EU-US negotiations: Transatlantic Trade & Investment Partnership (TTIP)

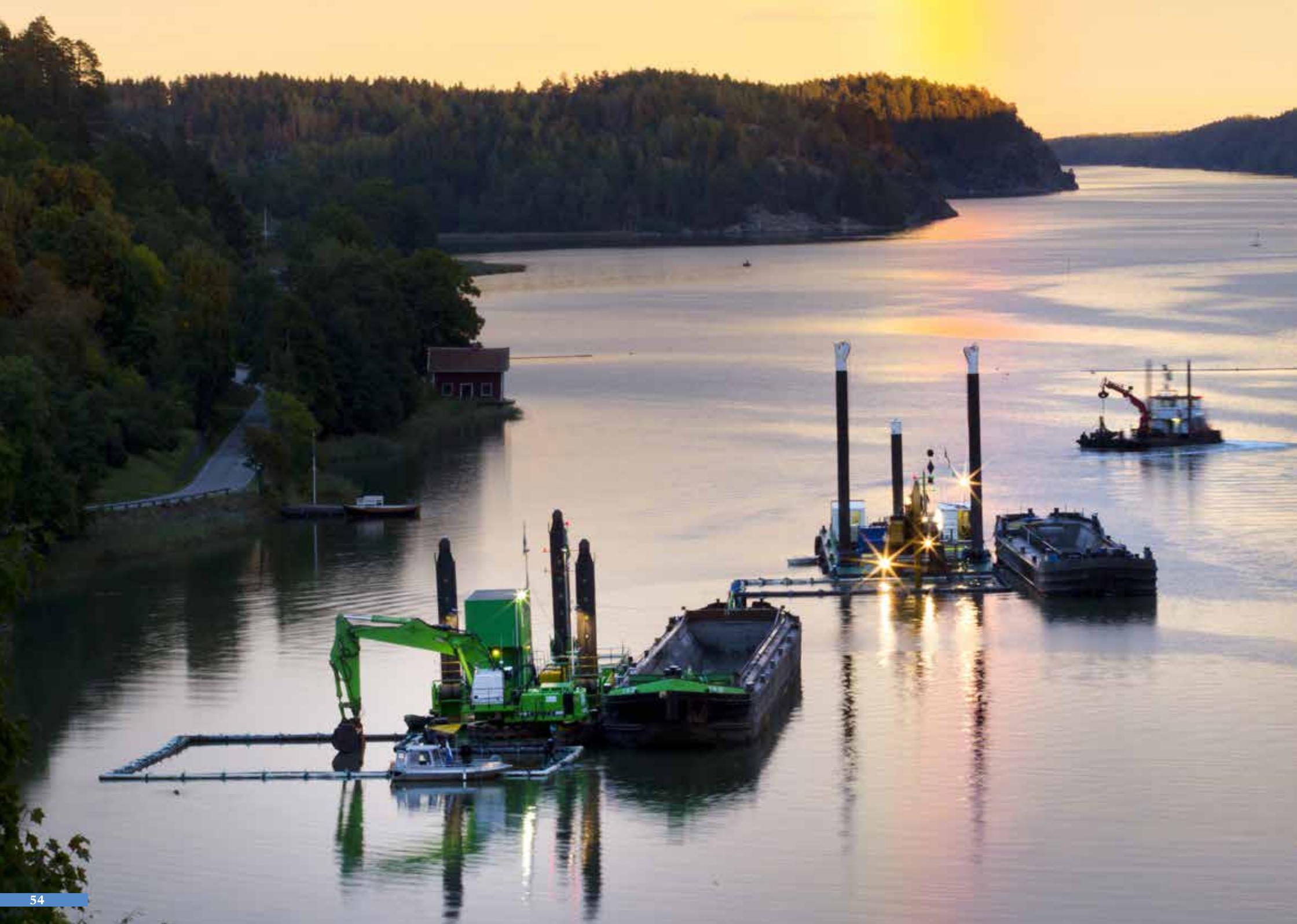
Largest economy in the world and free trade champion, the US is the biggest trade partner and an obvious priority for the EU to negotiate a Free Trade Agreement. By removing a wide range of trade barriers between both economic zones, such an agreement could create the biggest free trade area in the world. In July 2013, the EU and the US have started negotiating this ambitious Free Trade Agreement, the Transatlantic Trade and Investment Partnership (TTIP).



The EU and the US intend to make this agreement a model agreement that could shape global rules on trade and could be used as template for all the following agreements. Therefore, besides the elimination or reduction of tariffs across most, if not all, sectors (including services, investment and public procurement), the EU and the US want to tackle non-tariff barriers such as differences in technical

“CETA should improve market access of the European Dredgers to the Canadian market.”





regulations, standards and approval procedures, which cost unnecessary time and money to companies selling their products or services on both markets.

The time to conclude these negotiations could take from 3 to 5 years in the most optimistic cases. So far, the US has not categorically excluded from the discussions the opening of maritime markets, including dredging.

No Reciprocity

It has to be noted that US dredging companies have free access to some of the EU Member States' dredging markets while European dredging companies are not allowed on the US dredging market (protected by the Jones Act). The typical example is the US dredging company Great Lakes which has worked on the Oresund Bridge (between Denmark and Sweden) and has been pre-qualified for the next Fehmarn Belt Bridge (between Denmark and Germany). **In the dredging projects, there is no reciprocity of treatment between EU and US.**

US Dredging Market

The size of the US dredging market for European dredging companies can be conservatively estima-

ted **between 1 and 1.5 bn US\$**. In the US Market, there are recurrent dredging works (maintenance dredging), one-offs (capital dredging) and emergency responses (to natural disasters).

"Pure dredging" activities can be estimated at about **900 MUS\$**. The segment of fall pipe can be estimated at about **150 MUS\$**. And offshore oil & gas related works (berming, pipe-laying, ...) can be estimated at about **500 MUS\$**. Some of the offshore works, like cable laying can legally remain outside the scope of the Jones Act qualification under the condition that the cable to be laid (offshore) is not embarked from a US port (but from abroad).

It is also important to note that there is a big difference in the US (with regards to Europe) concerning cable-laying and pipe-laying as there is no legal obligation to protect them sub-sea.

Local US Dredging Competition

The US market is quite regional as it is, in a lot of cases, limited to regional Contractors (small and medium size industry). Compared to the European fleet, the US fleet is 1/10 in numbers and composed of smaller ships (essentially cutters and hoppers) than the Europeans.

Benefits for the EU and the US

The benefits for the European Dredging companies and for Europe are the access to a big but so far closed market.

The opening of the US dredging market, should also significantly benefit the American public and the waterborne transport industry. Besides the extra dredging capacity that will be needed to upgrade the US ports to the new Panamax standard, the US would benefit from the best available dredging knowledge, technologies and know how in the world.

The opening of the US market to European Dredgers would translate for the **US workforce** into more jobs, training and development opportunities for US citizens offered by the internationally operating European dredging contractors; for the **US (dredging) clients** into more added value for the same budget (or much lower costs per project); for the **US port & shipping** industries into better, bigger and more efficient infrastructures; for the **US shipbuilding** industry into improved perspectives; for the **US tax payers & local administration** into possibly significant improvements in terms of safety (e.g. coastal protection) and environmental (e.g. Building with Nature) standards with a more efficient use of their money.

Task Group on US Market Access

EuDA will establish a temporary Task Group on US Market Access (TG USMA) to provide advice to the Board of EuDA. The TG USMA will establish a strategy and provide solid argumentation and technical support to the European Commission's negotiators in order to obtain some form of access to the US dredging market.

Ports' Policy: new Ports Services Regulation

Background

With the Public Hearing on 18/01/2013, the EU Ports' Policy long revision process was finally concluded. EuDA made a contribution and participated in the debates. On 23/05/2013, Commission Vice-President Siim Kallas made public his new Ports Policy composed of a proposal of **Regulation** on market access and financial transparency of ports and a **Communication** of the European Commission. *Note: a Regulation, when voted, will be immediately community law as it does NOT need to be translated into national legislation (like the European Directives).*

8 complementary actions of the new Ports' Package: Connecting the TEN-T ports

Action 1

Use of the new TEN-T planning instruments ("32 bn euro Initiative");

Action 2

Target EU funding (Structural and Cohesion Funds);

Modernise port services

Action 3

Fair market access (equal treatment) and supervision of price and quality (transparency in Concession Directive application to ports);

Action 4

Administrative simplification in the ports ("Blue Belt", "national single windows", "e-maritime", "e-freight");

Attract investment to ports

Action 5

Transparent funding in ports, clarification of State aid rules in ports, more efficient port infrastructure charges, international dimension;

Promote the Social Dialogue

Action 6

Social Dialogue (between representatives of European ports' employers and unions);

Action 7

Health, safety, training and qualifications (FP7 research project);

Raise the environmental profile of ports

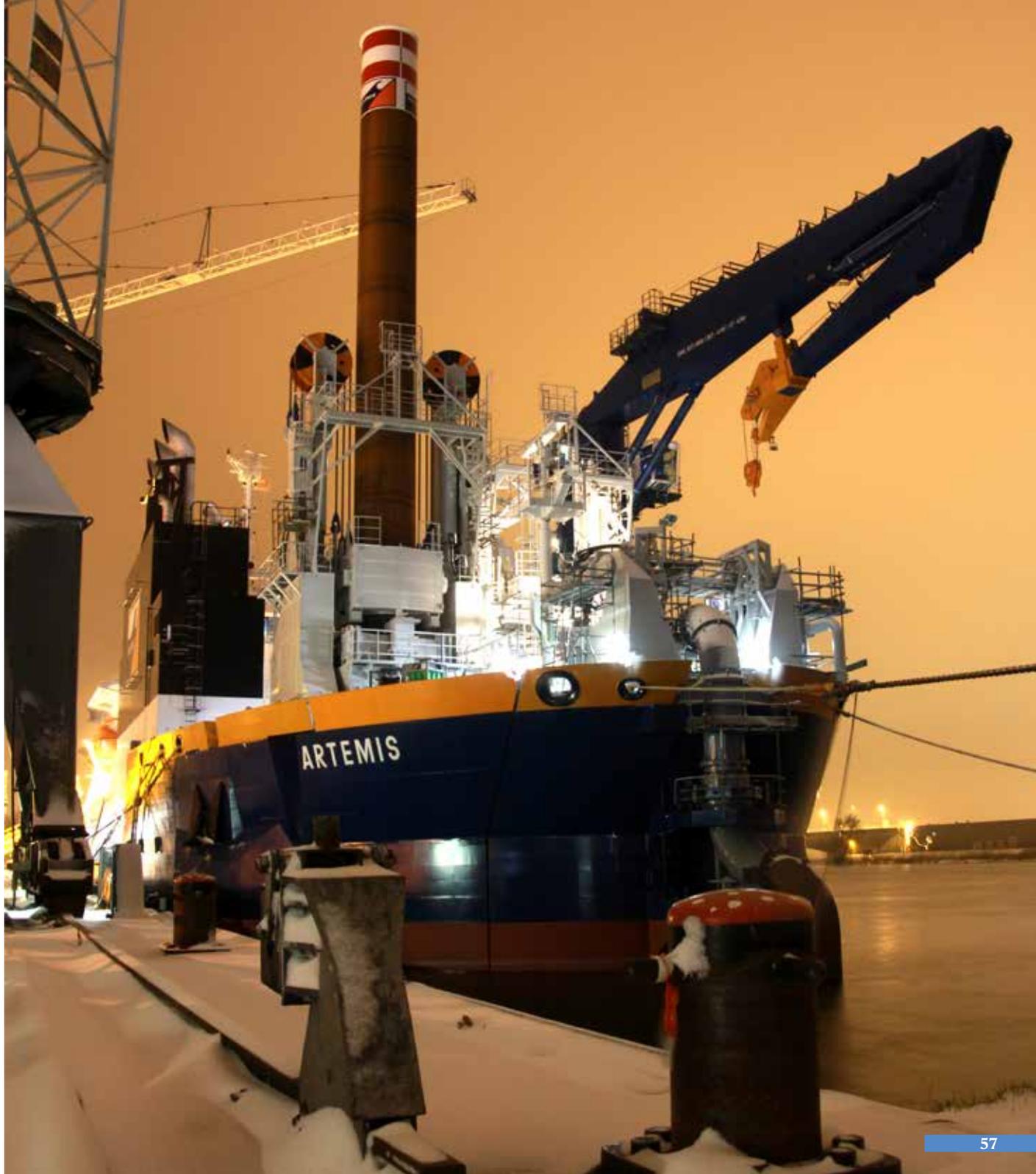
Action 8

Propose principles for environmental charging and promote the exchange of good practices;

Freedom to provide services to European ports

In this proposal, the Commission recognises the central role of ports in the logistical transport chains in Europe. Among the challenges identified in this regulation, the proposal attempts to help (force) ports modernise with a special view on provided services and connectivity between the ports in the Trans-European Transport Network (TEN-T). In the same line, the proposal attempts to also remove, as much as possible, the unjustified market entry barriers, unnecessary administrative burden and unclear rules governing the provision of services by imposing the **principle of freedom to provide services** to all TEN-T ports. 319 key ports have been identified for the TEN-T network. Another key aspect of the legislation is the request of financial transparency for the use of public funds by the ports, which are entities that have often mixed sources of revenues (private and public).

The principle of freedom to provide services is fully in line with the founding principles of the EU and therefore is fully supported by EuDA. Moreover, **EuDA members** are often faced with protected (closed) markets around the world and always **plea for the unrestricted access to the dredging markets**.





research and development policy

The dredgers' golden voice

With the stronger and stronger unification of Europe, the European Dredgers followed suit and unified their voices in December 1993 and established the European Dredging Association (EuDA). For 20 years, EuDA has grown into a reliable and reputable European maritime association, shaping European legislation and policies, focusing on transport, environmental, social or trade issues, as well as international, essentially at IMO and ILO.



Belgium

DEME Building Materials N.V. (DBM)
Dredging International N.V.
Fédération du Dragage Belge A.S.B.L.
Jan De Nul N.V.
N.V. Baggerwerken Decloedt & Zoon



Cyprus

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



Denmark

Rohde Nielsen A/S



Estonia

Terramare Eesti OU



Finland

Terramare Oy



France

Atlantique Dragage Sarl
Société de Dragage International 'SDI' S.A.
Sodranord SARL
Sodraco International SAS



Germany

Brewaba Wasserbaugesellschaft Bremen mbH
Detlef Hegemann GmbH Nassbaggerei
Heinrich Hirdes G.m.b.H.
Jan De Nul Nassbaggerei und Wasserbau GmbH
Nordsee Nassbagger-und Tiefbau GmbH
Strabag Wasserbau GmbH
Vereinigung der Nassbaggerunternehmen E.V.



Gibraltar

Van Oord (Gibraltar) Ltd.



Ireland

Irish Dredging Company
Van Oord Ireland Ltd.



Italy

Boskalis Italia Srl
Dravo S.A.
Jan De Nul (Italia) SpA
Societa Italiana Dragaggi SpA 'SIDRA'



Latvia

Baltic Marine Contractors SIA



Luxembourg

European Dredging Company S.A.
Dredging and Maritime Management S.A.
Dredging International (Luxemburg) S.A.



Netherlands

Baggerbedrijf De Boer B.V. / Dutch Dredging B.V.
Baggermaatschappij Boskalis B.V.
Boskalis B.V.
Boskalis International B.V.
Boskalis Offshore B.V.
Boskalis Westminster B.V.
de Vries & van de Wiel B.V.
Dredging and Contracting Rotterdam B.V.
Mijnster zand- en grinthandel B.V.
Paans & Zonen B.V.
Tideway B.V.
Van den Herik B.V.
Van der Kamp B.V.
Van Oord ACZ Marine Contractors B.V.
Van Oord Nederland B.V.
Van Oord N.V.
Van Oord Offshore B.V.
Vereniging van Waterbouwers
Water Injection Dredging B.V.



Portugal

Dragapor Dragagens de Portugal S.A.
Dravo SA



Spain

Dravo SA
Sociedad Española de Dragados S.A.



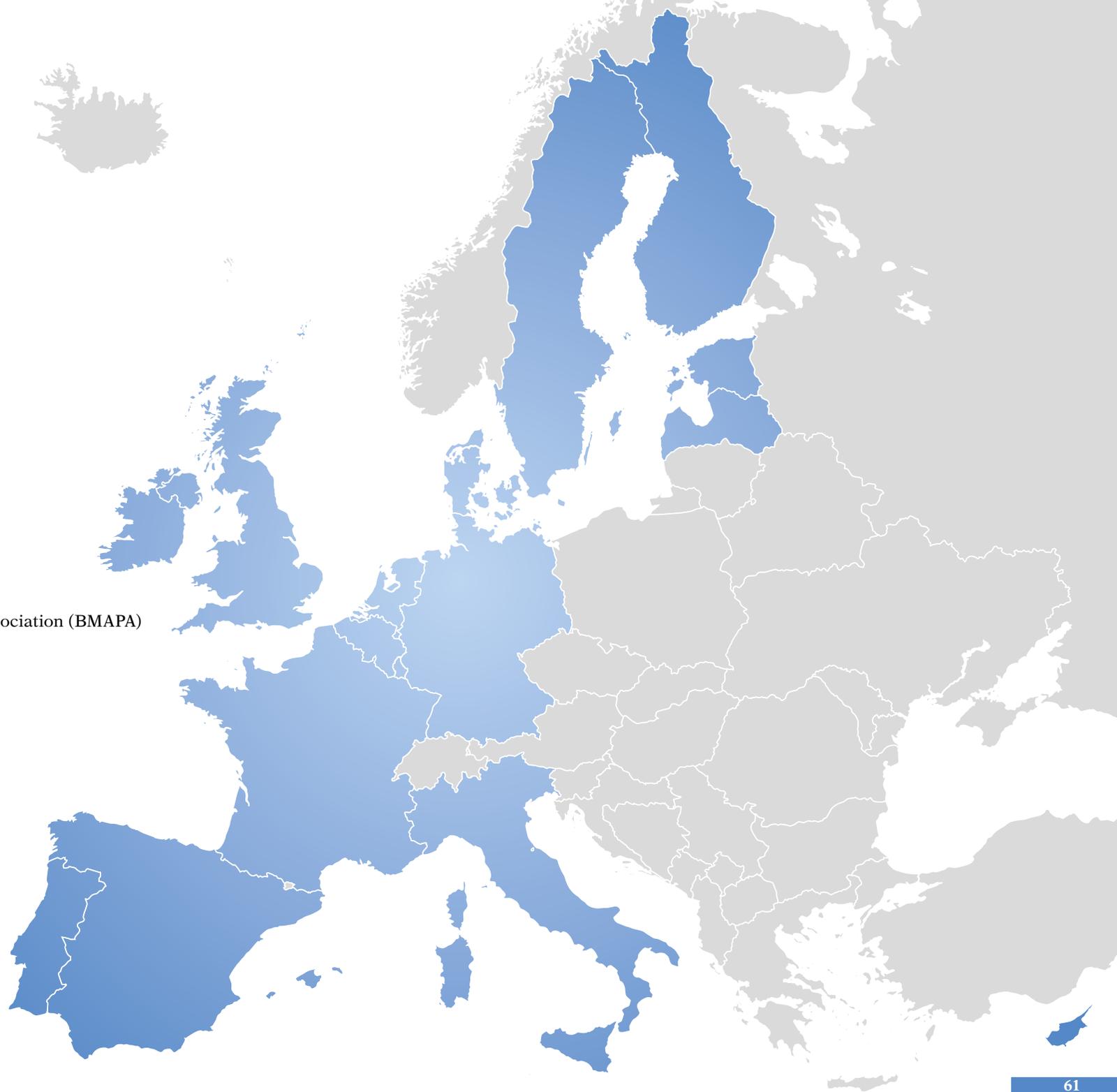
Sweden

Boskalis Sweden AB



UK

Boskalis Westminster Ltd.
British Marine Aggregate Producers Association (BMAPA)
Dredging International (UK) Ltd.
Jan De Nul (UK) Ltd.
Rock Fall Company Ltd.
Van Oord UK Ltd.





“Every Association needs proper governance to function. The Annual General Meeting gathers all the EuDA members and validates all the decisions made by the Board during the past year.

The Verification Committee makes sure that EuDA’s accounts are transparent and true.



2013 Members of the Verification Committee from left to the right H. van de Graaf (Dutch Dredging) and W. Bien (Boskalis)

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 the all the EuDA members at gathered the Annual General Meeting. The Members of this Committee are necessarily from a different member organisation than the EuDA Treasurer’s own organisation.

EuDA

Having celebrated its 20th Anniversary in 2013, 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 vessels” 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 vessels.

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 7.5 bn euro in 2012. Although 70% of operations take place outside Europe, 90% of the returns flow back to Europe.

The Association serves its members in all kinds of requests related to dredging issues, presently strongly emphasising Social and Environmental affairs. These issues are coordinated by the Secretariat and executed by its specialised working groups composed of experts from the member companies. 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.



EuDA Secretariat Paris Sansoglou, Secretary General Isabelle Gourdin, secretary

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