



ANNUAL REPORT 2016

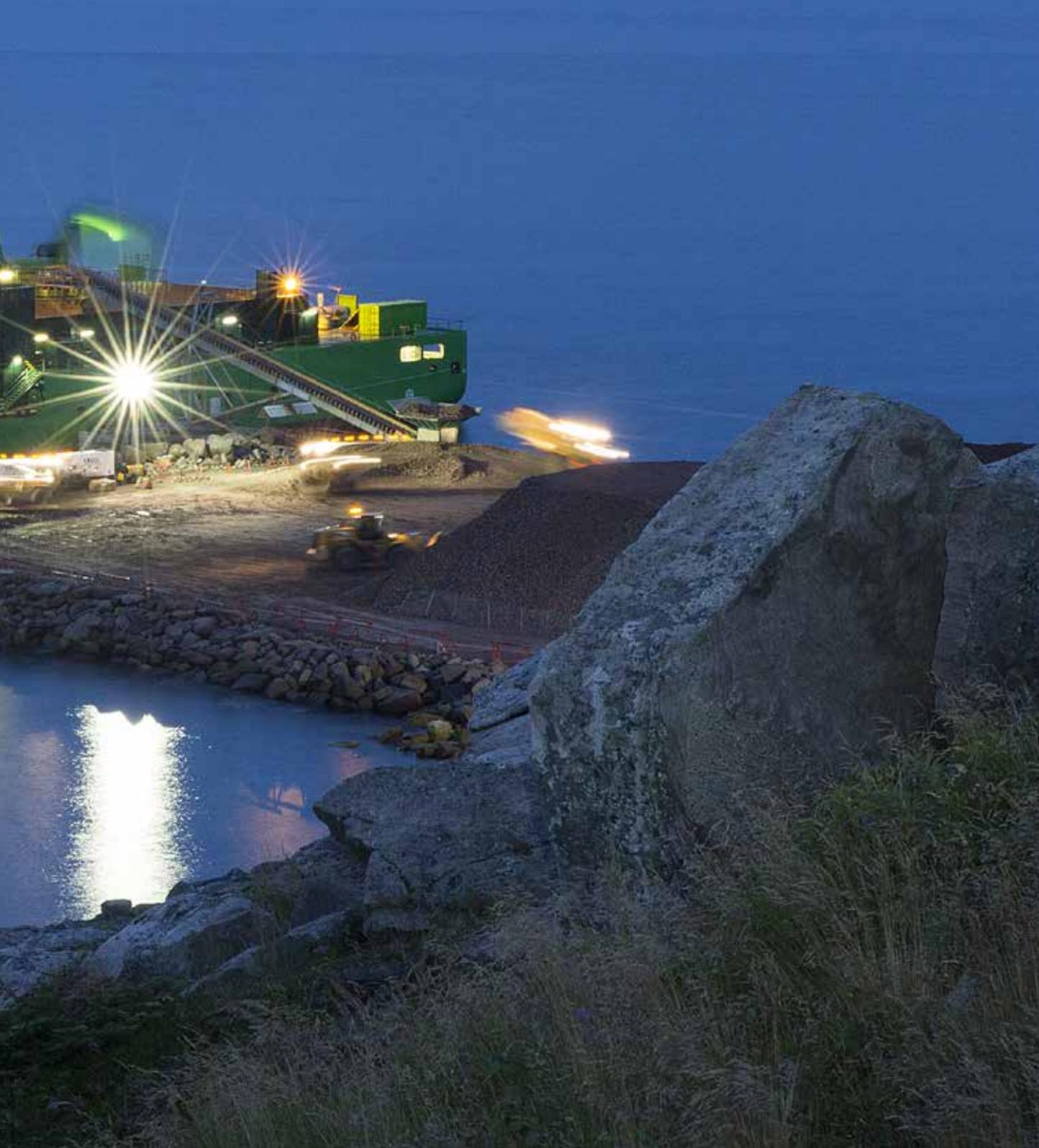
BLUE CARBON **O₂**PPORTUNITIES

MORE OXYGEN FOR THE FUTURE



EUROPEAN DREDGING ASSOCIATION





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

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TACKLING THE CO₂ ISSUE
TO₂GETHER



Blue Carbon refers to oceans & coastal biotopes that are natural carbon sinks.

Photo: Salt Marsh - Texel, the Netherlands



INDUSTRIAL POLICY

Only by joining forces together, can sectors have a lasting and significant impact on atmospheric concentrations of CO₂.
By integrating Blue Carbon for tackling the CO₂ issue in their long-term strategies and vision, can companies, sectors and governments make a difference and achieve the ambitious absolute targets set in Paris.

MORE OXYGEN FOR THE FUTURE



The bonanza years for the European Dredgers seemed to have reached an apotheosis of activity in 2015 with the expansion of the Suez Canal. In comparison, 2016 was a much calmer year for the Dredgers.

2016 has seen significant changes in world politics and geo-politics. Two seismic waves occurred on both sides of the Atlantic: the UK decision to leave the EU, following a referendum on Brexit and the election of President Trump in the US. The exact consequences of these shockwaves are still unknown but the perspectives so far are pessimistic with regards to the trade and to the economies of the two blocks.

The UK divorce, after 43 of sometimes turbulent years, is the translation of a certain European political and economic 'mal-être' among some Member States into a first 'deconstruction' step: in the

history of the peaceful European construction, this is the first time that a Member State decided to step out ... we fear that Brexit will demonstrate that the sum of the parts is lesser than the whole. We need to unite behind the European banner and strengthen our Union.

The only certainty at this stage is that there will be more uncertainty. The terrorist attacks that have unfortunately plagued European capitals and cities will only add insecurity to this equation. Until the dust settles, until new policies are in place, we need to keep building our future and continue our policy work with the European Institutions as EuDA.

In 2016, the European Dredging Association (EuDA) focused its efforts on three main issues for the dredgers, which included:

- 1) the EuDA CO₂ Strategy;
- 2) the implementation of the ILO MLC 2006; and
- 3) the trade negotiations between EU-US.

EuDA CO₂ Strategy

In 2012, EuDA finalised a first version of its common **CO₂ Strategy**. Since 2008 EuDA has worked ceaselessly to improve and implement its strategy. The EuDA CO₂ Strategy was built to improve the members' understanding of the CO₂ emissions from

the EuDA dredging fleet. With the adoption of the Paris Agreement on Climate Change on 12/12/2015, CO₂ emissions' reduction and optimisation have become the centre of attention of legislators and project owners worldwide and will continue to be in the foreseeable future.

In this policy context, EuDA dedicated its 2016 Annual Conference to discuss the theme: "*Global CO₂ Emissions: New Opportunities for the European Dredgers?*" and bring innovative approaches and solutions from the dredgers on the radar screen of the politicians and legislators. EuDA briefly explained that the measures designed and applied on reducing CO₂ emissions are relative by nature. Indeed, the total (absolute) amount of anthropogenic CO₂ emitted in the atmosphere will depend on the level of global economic activity. EuDA took the example of the expansion of the Suez Canal which required the highest concentration ever of the most powerful dredgers in the world (the Cutter Suction Dredgers). These dredgers worked non-stop to achieve in less than one year the work of three and the consequence for the CO₂ emissions of the EuDA fleet was an 'absolute' increase in 2015. Absolute targets cannot always be achieved with relative measures, particularly when the global economic activity is booming. EuDA presented a complemen-

tary innovative approach reducing the CO₂ concentration directly from the atmosphere: **Blue Carbon** is a maritime biotope capable of capturing and long-term storing atmospheric CO₂. The reduction of atmospheric concentrations of CO₂ can help achieve the absolute targets even when the global economic activity is booming.

Following its strategy, EuDA proactively published in 2016 a milestone report on the methods to calculate typical emissions to expect from a dredging project using Trailing Suction Hopper Dredgers.

The EU Free Trade Negotiations with North America

In 2016, EuDA continued its work in support of the Transatlantic, Trade and Investment Partnership (TTIP) between the EU and the US. However, with the election of President Trump in the White

“Will Brexit demonstrate that the sum of the parts is lesser than the whole?”

House, TTIP is as good as dead and the likelihood of any form of trade deal between the EU and the US happening any time soon is near to zero.

In 2017, EuDA will continue work on obtaining a waiver for the Europeans from the 1906 Dredging Act (preventing any foreign competition in the US dredging market).

Dredging Standards

EuDA stands for quality and reliability and so do its member companies. This is why EuDA has been working towards the creation of new standards for dredging projects and defended the standards of

the dredging equipment and vessels against attempts to lower them.

The new EuDA Chairman elected

During this transition year, EuDA was also in transition and I, as Vice Chairman, acted as Chairman until the election of a new chairman was completed. And it is my pleasure to announce that the new Chairman of the European Dredging Association was elected at the Annual General meeting on 15/11/2016 and is Alan Lievens, retired Director of Americas for Jan De Nul.

Welcome Alan and we look forward to working with you in the Board !

*With our best regards,
Jeanette Rohde, acting Chairman, Vice Chairman
and her colleagues of the Board of EuDA.*

2016
Members
of the
EuDA
Board



J. Rohde (acting Chairman, Vice Chairman)



P. van der Linde (Treasurer)



M. Fordeyn



P. Verheul



E. Lokkerbol



G. Streimel



K. van de Graaf jr.



É. Tancré



C.J. van de Graaf

Good bye, Cees!

Cees van de Graaf Sr stepped down only last year from the EuDA Board and we learned the sad news that he passed away peacefully on 26 December 2016.

Cees was part of the original management team that took the reins of EuDA in the cornerstone year of 2003, marking EuDA's 10th Anniversary. The new team gave the Association a renewed impetus, regrouping more members behind its new focus and further developing and strengthening EuDA's relationship with the European Institutions!

On behalf of your former colleagues in the EuDA Board of Directors, we would like to express our sadness for your passing and our gratitude for your dedication to EuDA for so many years.

Thank you, Cees. You will always be remembered !

**Jeanette Rohde,
Vice Chairman**





G. Streimel

Thank you, Gerhard!

Gerhard Streimel joined the management team of EuDA only a few years ago and was very active and constructive!

All board members were committed to the Association and you were representing the views of our German member companies.

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

We wish you all the best in your new endeavor with the dry contractors and welcome your successor Mr Jens Schmidt to represent Germany on board the deck of our ship EuDA.

**Jeanette Rohde,
Vice Chairman**



P. Verheul

Thank you, Paul!

A few years back, Paul accepted to join the management team of EuDA. Inside and outside the board meetings, discussions between competitors have never

been easy. We have had some difficult discussions over the years but always managed to find a commonly agreed solution.

We were all committed to EuDA and have all dedicated resources from our own company to steering its activities. Your company supported and took the lead of one of the key activities of EuDA: the Environment Committee. Besides this committee, Van Oord has traditionally also taken the lead of the CO₂ Working Group. We would like to thank you, Paul, for your commitment to the EuDA Board!

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

We wish you all the best in the future and welcome your successor Mr Govert van Oord on board the deck of the EuDA ship.

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

**Jeanette Rohde,
Vice Chairman**



KN_OWLEDGE

TO TACKLE THE CO₂ ISSUE



Blue Carbon biotopes capture atmospheric CO₂ through the plants' photosynthesis and store it in the long-term.

Photo: Mussel Banks - l'Île d'Oléron, France



RESEARCH AND DEVELOPMENT POLICY

Blue Carbon is in its infancy and a lot of knowledge is necessary to understand its functioning and the full scope of its added value to major infrastructure projects. Research and development contribute to building this missing knowledge, innovation too, but, with regards to Blue Carbon, pilot projects provide a unique and significant source of knowledge, directly from the field.

MORE OXYGEN FOR THE FUTURE

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. This is why the European dredging companies are continuously investing in Research, Development and Innovation (RDI) in their new vessels and equipment as well as their processes and operations. World leadership in global markets is not a destination but a journey towards a continuously moving target.

For instance, EuDA members invested over 7 bn euro from 2008-2012 in new equipment, including new exploring and testing equipment to improve global environment conditions, and in RDI to improve the efficiency of their operations and systems.

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



European Maritime Day 2016, in Turku: “Investing in competitive blue growth - smart and sustainable solutions”

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. In its previous editions, the European Maritime Day successively took place in Brussels (2008), Rome (2009), Gijon (2010), Gdansk (2011), Gothenburg (2012), Valetta (2013), Bremen (2014) and Athens (2015).

The 2016 edition of the European Maritime Day (EMD) was organised in Turku and its flagship theme was focusing on “*Investing in competitive blue growth - smart and sustainable solutions*”. Since the launch of the Blue Growth Strategy by DG MARE in 2012, significant achievements have been made and the blue economy has taken great strides towards increasing employment and growth, while adding value in advancing sustainability. European Dredgers are no strangers to these developments, on the contrary, they are key facilitators of waterborne activities. Traditionally, they developed ports and major waterborne transport infrastructures, but they are also providing specialised services to other maritime activities, such as the booming offshore energy sectors.

The EMD concluded that a sustainable European marine economy is a reality and Blue Growth can provide the breeding grounds for countless innovations if properly framed and sufficiently funded. The Maritime Spatial Planning aims at improving the use of maritime space and making it more efficient. In this framework, waterborne infrastructures have a key role to play and need to fulfil multiple purposes. Multipurpose waterborne infrastructures can optimise the use of space by clustering compatible competitive waterborne activities and can become an innovation catalyst for a competitive European Maritime Cluster.





**2016 Members
Task Group on Dredging Standards**
from left to the right

- P. Sansoglou (TGEF Chairman, EuDA),
- P. van Eerten (Boskalis),
- B. T. Franzen (Rohde Nielsen,
- B. Verboomen (DEME),
- R. De Backer (JDN)
- and J. Bakker (Van Oord).

A beacon of quality for dredging projects

In 2007, the European Dredgers started working on a manual on hydraulic fill methodologies answering the need for a technical reference for best practices. With the support of IADC, this reference was completed and published in December 2012: **the Hydraulic Fill Manual (HFM)**.

However useful this document is to project owners and consultants, this is not a standard. Worldwide the only existing standard on hydraulic fill is the British standard that is by far out-dated.

Following an initiative started in 2009 by the European Committee for Standardisation (CEN), plans were made for the preparation of Standards on “Earthworks” including a Standard for “*Land reclamation with dredged hydraulic fill*”. Under the umbrella of CUR, knowledge institute for the construction industry, and CIRIA, the construction industry research and information association, (both editing the Rock Manual), the same experts who worked on the Hydraulic Fill Manual (from consulting companies and dredging companies) joined the initiative and became Convener or simply members of the

CEN technical Working Group on Standard on land reclamation works. The work supported in full by EuDA should be completed by the end of 2017.

A risk for innovation and level playing field

In October 2014, China made three proposals of ISO Standards for dredging equipment under the lead of China Communications Construction Company Limited (CCCC, State-owned mother company of China Harbour Engineering Company, CHEC). The proposed standards concern the “*supervisory and control systems*” for hoppers, cutters and grabs.

Despite EuDA repeatedly stating that these ISO Standards were not necessary and could potentially hinder innovation in the sector, the Chinese proposals could not be stopped and a WG 11 “Dredgers” under the jurisdiction of ISO Ships and Marine Technology Committee ISO/TC8 was created for the purpose of writing the standards from the proposals.

When analysing the content of the various presentations and documents linked to these standard

proposals, they are clearly **not output standards**. At best, these proposals are lists of definitions with no common structure. These proposals show a lack of knowledge or understanding regarding the automation processes on board the concerned dredgers. These proposals seem to aim at obtaining prescriptive descriptions on how to do the works rather than on the **quality level of the output**.

Moreover, an output standard for this type of equipment (supervisory and control systems) already exists for Trailing Suction Hopper Dredgers (TSHDs). Rijkswaterstaat has issued a document in Dutch and developed a software (MARS 2). This is common knowledge and publicly available on (<http://www.helpdeskwater.nl/onderwerpen/applicaties-model/applicaties-per/watermanagement/watermanagement/mars/>). Moreover, **this approach does not hinder level playing field nor innovative approaches or equipment**.

EuDA is asking the concerned ISO Member States to stop the development of these standards or to downgrade them to lists of definitions, which is what they really are.

“Multipurpose waterborne infrastructures are an innovation catalyst for a competitive European Maritime Cluster.”

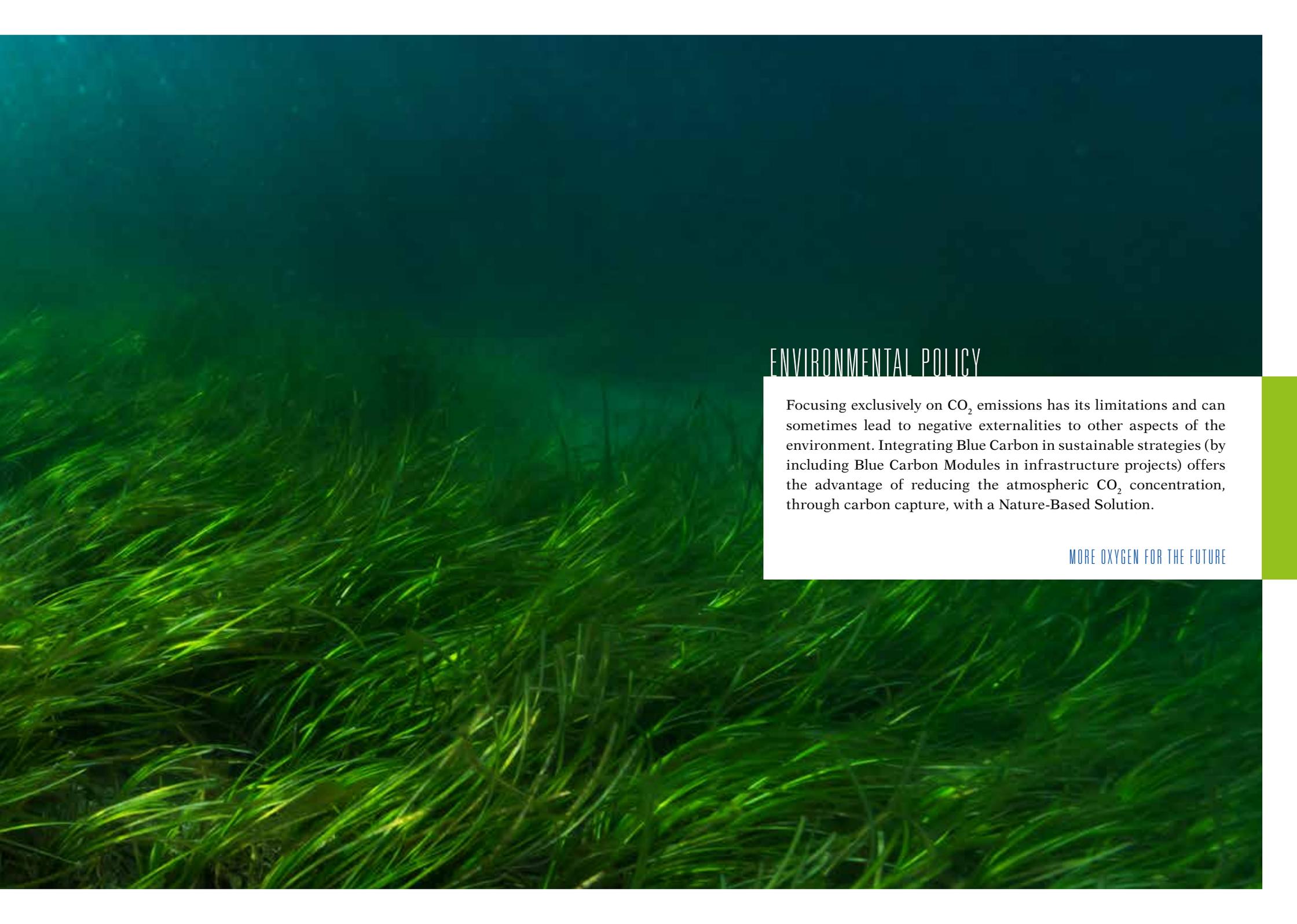


SUSTAINABLE APPROCHES
INTEGRATE THE BLUE CARBON



Blue carbon ecosystems play a significant role
in the global carbon cycles.

Photo: Seagrass - Northern Pacific Ocean, California, USA

An underwater photograph showing a dense field of green seagrass in the foreground, with a dark, deep blue-green background. The seagrass blades are long and thin, swaying in the water. The lighting is soft, highlighting the texture of the plants.

ENVIRONMENTAL POLICY

Focusing exclusively on CO₂ emissions has its limitations and can sometimes lead to negative externalities to other aspects of the environment. Integrating Blue Carbon in sustainable strategies (by including Blue Carbon Modules in infrastructure projects) offers the advantage of reducing the atmospheric CO₂ concentration, through carbon capture, with a Nature-Based Solution.

MORE OXYGEN FOR THE FUTURE

Air Emissions

Most of the work on CO₂ related issues is coordinated and executed by a well-established EuDA working group dedicated to CO₂ emissions 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". In 2016, the main theme of the EuDA Annual Conference was: "Global CO₂ Emissions: New Business Opportunities for the European Dredgers?" (see summary and key messages here after).

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.

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, MEPC 70 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.

During its 2013 sulphur dedicated workshop, EuDA concluded that "the most realistic technical solution for the dredgers working in a SECA to comply with the sulphur requirements is to switch from heavy fuel oil to marine diesel oil". Since then, the position of the European Dredgers has evolved and they are currently testing alternative fuels, such as LNG or biofuels, they are building LNG dredgers and testing the possibilities offered by scrubbers.

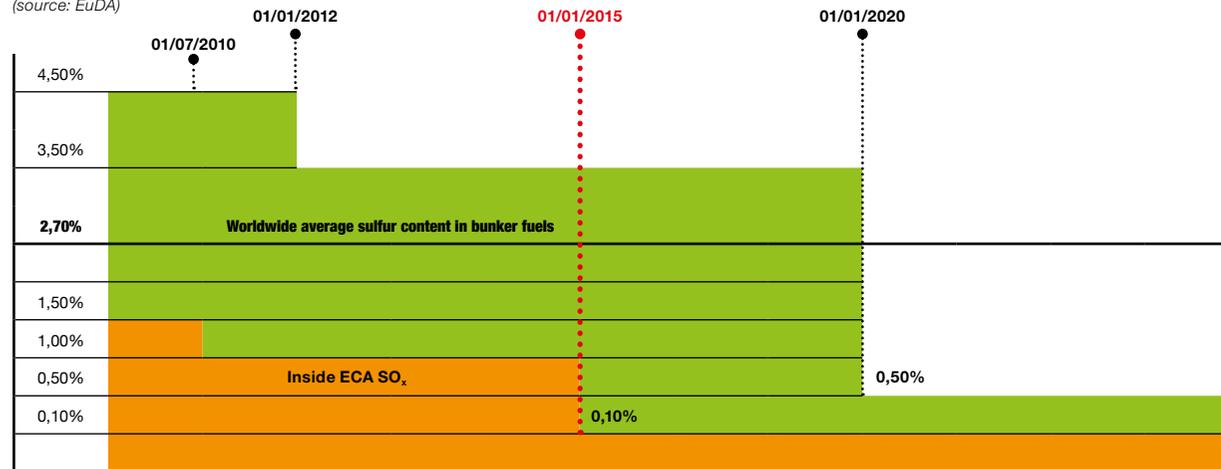
HELCOM, the Commission implementing the Helsinki Convention, and in which EuDA has an observer status, has established a platform to discuss SO_x and NO_x issues in the Emission Control Area (ECA) of the Baltic Sea. The Baltic ECA is expected to request a similar limit to be extended to NO_x emissions.



2016 Members of the EuDA Environment Committee from left to the right
P. van der Klis (EnvCom Chairman, Van Oord), D. Rijk (Boskalis), M. Russel (BMAPA), C. Schillemans (Vereniging van Waterbouwers), K. Allaert (JDN), P. Vercruyse (DEME) and P. Sansoglou (EuDA).

Sulphur Limits Evolution 2010-2020/25

(source: EuDA)



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

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.*

EuDA has identified and contributed to these key issues 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 cancellation.

IMO Ballast Water Convention ratified

The IMO Ballast Water Management Convention (BWM) was ratified by Finland on 08/09/2016 and brought the proportion of world tonnage above the 35% minimum requirement for ratification at IMO (PM 52 States have ratified vs 30 needed for ratification).

The Ballast Water Management Convention will be in force on 08/09/2017.

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 legislations. As it appears there is some sort of divide between some Northern and some Southern EU countries, hence the need for further work to harmonise the national legislations and approaches in the Member States.

Roadmap to a circular economy

The concept of ‘Circular economy’ has progressively been elaborated by the European Commission. With the ‘Circular economy’ motto *“waste is a resource to be put to beneficial use”*, DG Environment aims at stimulating and maximising the re-use/re-cycling of waste.

Water & Marine Strategy Framework Directives

The Water and Marine Strategy Framework Directives are the cornerstones of Europe’s water policy.

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 considered river basins for the management, they used the so called “combined approach” of emission limit values and quality standards (Good Ecological Status for the water quality and Good Environmental Status to include human activities). 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 meas-

ures in 2015 with the ultimate goal of achieving the Good Environmental Status (GES) in 2020!

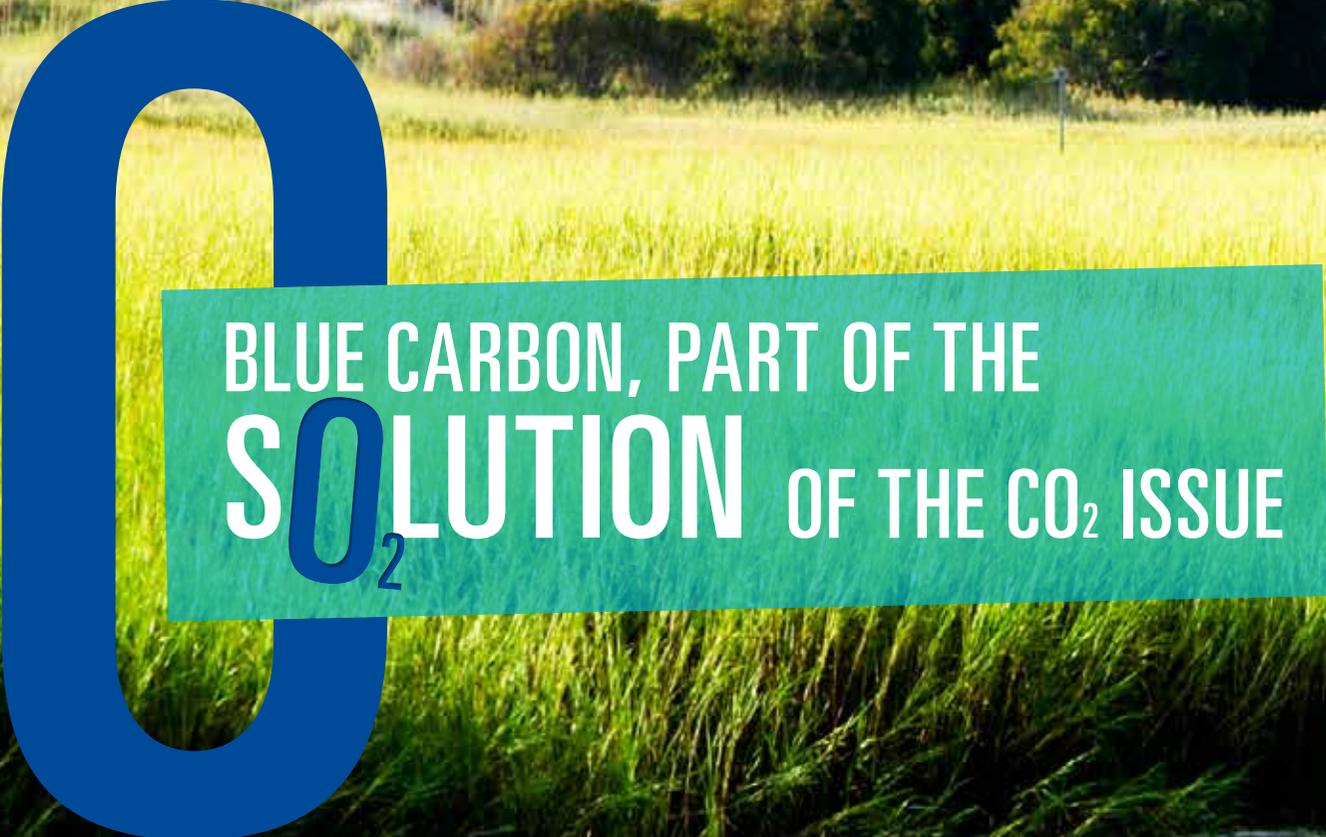
Among the many issues dealt with under the Water Framework Directive, there are similar and new ones with the Marine Framework Directive:

- *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 (broadening the geographical scale and introducing human activities’ impacts on water quality and ecosystems).

EuDA continued to closely follow the developments in the implementation process of the Marine Strategy Framework Directive (MSFD) through CEDA’s Marine Strategy Navigation Group.





BLUE CARBON, PART OF THE
SOLUTION OF THE CO₂ ISSUE



The enhancement, restoration or development of Blue carbon ecosystems should be better integrated in coastal development projects (Building with Nature approach).

Photo: Coastal Green Marsh Grass - South Carolina, USA



CLIMATE CHANGE AND COASTAL PROTECTION POLICY

Over time, governments have developed a series of measures to deal with the increasing concentration of CO₂ in the atmosphere and prevent aggravated climate change impacts. These measures aim at reducing CO₂ emissions are relative by nature and are dependent on the level of global economic activity. However, the targets they are meant to achieve are absolute. Blue Carbon provides a possible solution by working directly on the atmospheric concentrations of CO₂ and complement the relative measures.

MORE OXYGEN FOR THE FUTURE



W. Dirks (Chairman, Van Oord) **2016 Members of the EuDA CO₂ Working Group** from left to the right
 A. Schrijen (Boskalis), P. Vercruijse (DEME), R. Kolman (IADC), K. Allaert (JDN), F. van Dongen (Vereniging van Waterbouwers) and P. Sansoglou (EuDA)

From its inception, the CO₂ Working Group worked towards establishing and implementing the EuDA common CO₂ Strategy. In 2016, the CO₂ WG pursued its implementation work with regards to the EuDA CO₂ Strategy and focused particularly on the targeted external communications, which are documents describing the industry backed methodology for estimating CO₂ 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) but also from IMO on the views and main recommendations of the European Dredgers with regards to CO₂ matters.

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 working with the International Maritime Organization (IMO): EuDA and IADC made a joint Statement in 2010 warning that the IMO Energy Efficiency Design Index (EEDI), as it stood, could not be implemented on the dredging vessels. Instead, the associations proposed a possible alternative approach to reach the same goal.

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, the CO₂ WG has kept regular contact with the Commission's DG CLIMA informing the Officials and making them aware of the specific situation of the dredgers.

Communication as a process

On the basis of the TGEF 2012 Report, **External Communications** were developed for three types of dredgers: Trailing Suction Hopper Dredgers (TSHD), Cutter Suction Dredgers (CSD) and Backhoe Dredgers (BHD). The documents are meant to provide fair and transparent industry backed meth-

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

ods to support clients on estimating CO₂ emissions 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 the level playing field during the tendering phase. When wrongly taken into account by consultants, because of misunderstanding of dredging processes or because of unfair or non-transparent calculation methods, these CO₂ requirements could introduce competition distortions and potentially pose a threat to the industry.

The general approach of the EuDA CO₂ Strategy to communicate towards or lobby the national administrations (including the representatives in the European Council) is making as much as possible use of the existing national communication channels from the joint networks of EuDA and IADC: for instance, the Vereniging van Waterbouwers takes the lead when lobbying the Dutch administration.

EuDA CO₂ Strategy has reached a next phase and published the first of its three External Commu-

nications, the report on how to calculate in a fair and transparent way CO₂ emissions from Trailing Suction Hopper Dredgers (TSHDs). This report, available on demand at the EuDA Secretariat, highlights the main aspects to take into consideration for a realistic estimation of the CO₂ emissions to expect under normalised conditions for a particular project. This report is not intended to replace the direct advice of the contractors, on the contrary, it even promotes the Early Contractor Involvement. Finally, the report also states that it is important to leave the choice of dredging equipment and methods to the contractors, who can come up with new approaches, solutions and technology and keep innovating.

Paris Agreement (COP21) ratified

The Paris Agreement on Climate Change was adopted on 12/12/2015 and aims to achieve the UN FCCC Convention's objectives. This Agreement established a Global Goal on Adaptation of enhancing adaptive capacity, strengthening resilience and reducing vul-

“The Paris Agreement sets the ambitious target of 1.5°C.”

nerability to climate change, with a view to contributing to sustainable development and ensuring an adequate adaptation response in the context of the temperature goal of **1.5°C**.

The Paris Agreement foresees financial support (from developed to developing countries, such as Small Island Developing States) as well as technology transfer and capacity building (to respond to the adaptation challenges). The Agreement entered into force 30 days after the date on which at least 55 Parties to the Convention accounting for at least 55% of the total global GHG emissions have ratified. Since the EU completed its ratification process on 04/10/2016 (with the formal approval in the European Parliament and European Council), the last minimum threshold of 55% has been reached (more than 60 countries had ratified) and the Paris Agreement was ratified and entered into force on **05/11/2016**.

With respect to the “*Common But Differentiated Responsibilities*” (CBDR) principle, all (UN FCCC) Parties have to achieve their nationally determined contributions through ambitious efforts, with stocktaking every 5 years. It is important to note that this UN FCCC CBDR principle is in conflict



with the IMO functioning principle of “*No More Favourable Treatment*” and therefore cannot be applied to the maritime sectors without having serious consequences on the Flags (e.g. mass reflagging to the most generous, least demanding Flag).

With the shipowners’ support, IMO will take the lead on the shipping’s contribution to achieve the goals of the Paris Agreement with regards to the global CO₂ emissions reduction.

IMO MEPC 70 Global Data Collection System

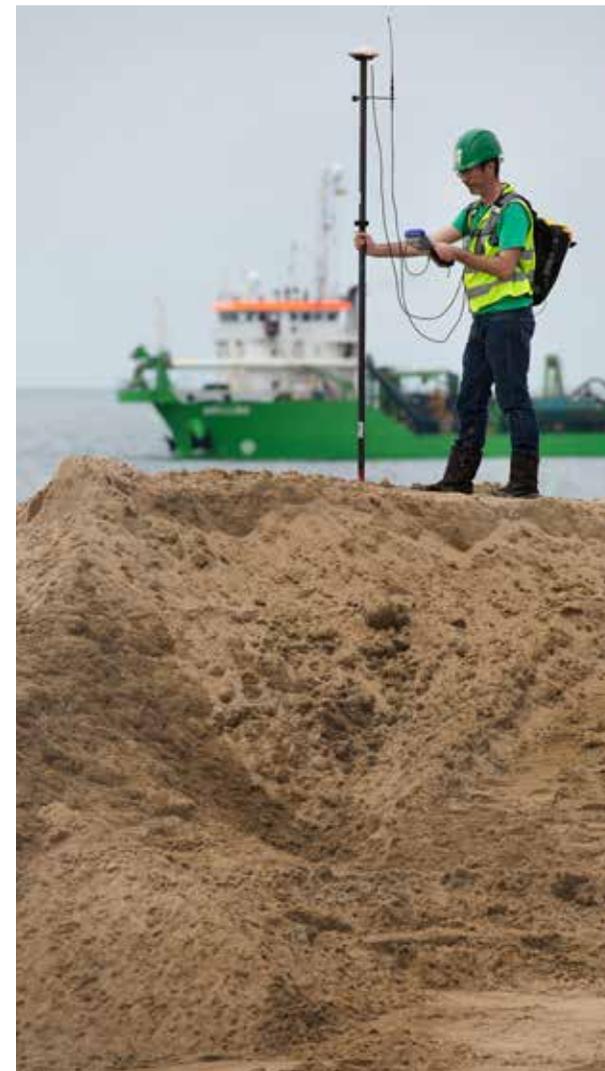
At MEPC 70, IMO adopted its new Regulation 22A to establish mandatory requirements for ships to record and report data on their fuel consumption. Ships of 5,000 gross tonnage and above will have to collect consumption data for each type of fuel oil they used as well as other additional specified data including proxies for transport work [distance travelled, service hours at sea and DWT]. This regulation shall enter into force on 01/03/2018.

EuDA welcomes these developments and encourages further progress with regards to the reduction of CO₂ emissions from ships. However, consistency (ideally compatibility) is needed between the EU

MRV Regulation and the IMO Regulation 22A: it is essential to avoid duplication and excessive administrative burdens.

The European Dredgers are ready to contribute to the collection of meaningful data. Emission data collected from individual dredging ships is difficult to interpret for dredgers because these vessels use energy to both sail and work at sea. Moreover, the energy efficiency of a dredging vessels can only be determined on the basis of the project working conditions (depth, soil, distances to sail, etc). It is therefore recommended to use the project as main reference for the optimisation of CO₂ emissions. Proactive for years on the CO₂ issue, EuDA has developed an understanding of the energy efficiency and the consequent emissions of its fleet. As explained above, EuDA published its External Communication on TSHDs which provides the means to a realistic estimation of the CO₂ emissions from a project (available on demand at the EuDA Secretariat).

“Dredging vessels use energy to both sail and work at sea.”



EuDA CO₂ emission figures 2015

As part of the EuDA CO₂ Strategy, the CO₂ Working Group has collected and compiled the 2015 data for the CO₂ emissions of the European dredging fleet.

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.

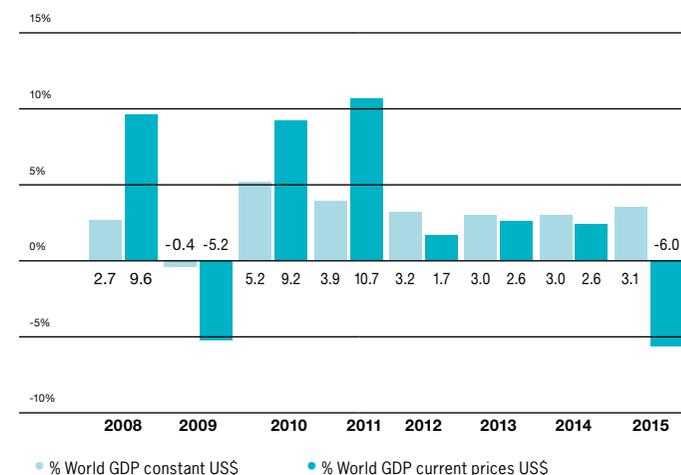
From 2009, the European dredgers' CO₂ emissions continuously dropped to 2.7 Mton in 2014. In 2015, however, the emissions raised to 3.0 Mton. What happened?

Table 1: EuDA fleet CO₂ emissions (2008-2015). 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	985,998	3,108,075
	European operations and emissions	501,981	283,388	896,361
2013	Global operations and emissions	1,666,135	880,657	2,774,959
	European operations and emissions	527,013	219,866	696,476
2014	Global operations and emissions	1,598,624	846,514	2,672,869
	European operations and emissions	530,519	228,823	724,198
2015	Global operations and emissions	1,298,000	959,000	3,033,000
	European operations and emissions	409,000	223,000	713,000

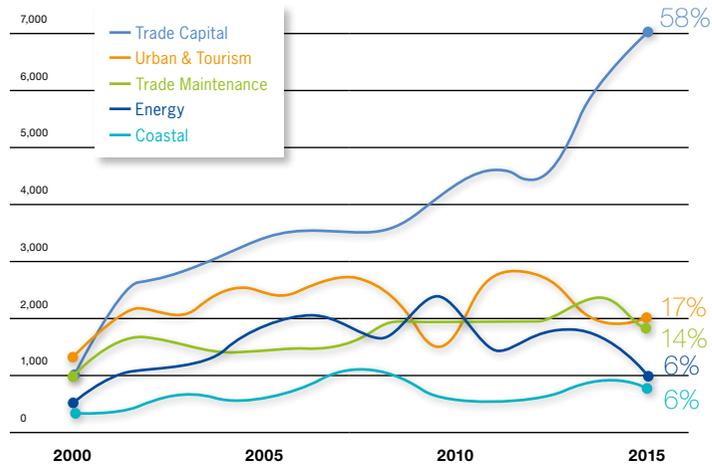
Graph 1: evolution of World GDP

(source: IMF)



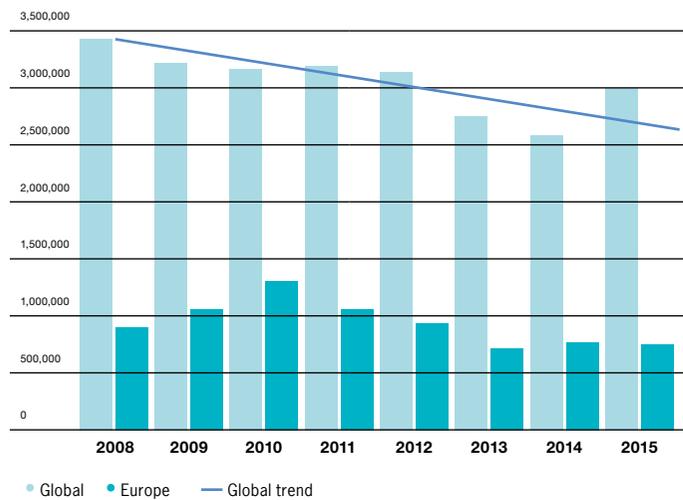
The growth of the global economy has been slowing down since 2009 and the inversion of the ratios between constant and current prices growth rates is the symptom of issues with global inflation-deflation. The growth of the global economy in current prices was negative (-6.0%) in 2015.

Graph 2: Dredging Turnover Evolution per driver (2015) (source: EuDA)



Graph 3: EuDA fleet CO₂ emissions

(source: EuDA)



The main drivers for the European dredging companies are various and not correlated. They provide the sector with a reasonably steady growth and a form of acyclicity. But in 2015, the drivers were heavily dominated by capital dredging, nearly three times higher than the next best driver, Urban and Tourism.

The general trend in **Graph 3** above confirms that of the worldwide CO₂ emissions of the European Dredgers are steadily decreasing since 2008. The reduction in the CO₂ emissions can be partly attributed to the long-term improvement of energy efficiency per dredged m³ and partly to the effects of the economic crisis, reducing the level of occupancy after 2008.

The increase in 2015, however, can only be explained by the surge of activity due to the expansion of the Suez Canal. The global emissions of the European Dredging fleet in 2015 raised again, back to the level of 2012.

When looking to emissions inside Europe, a similar peak occurred in 2010 corresponding to the peak of activity for the reclamation of Maasvlakte 2 in the Netherlands. Afterwards, the level of CO₂ emissions in Europe has stabilised around 700 ktons of CO₂, well below 2008.

These figures 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 (see also hereafter our Annual Conference’s summary and key messages).

PIANC Coalition on Climate Change

In 2015, EuDA joined a Climate Change Coalition led by PIANC. EuDA co-signed a position paper on “**Navigating a Changing Climate**” (NaCC) that was presented in December 2015 at the 21st Conference of the Parties of United Nations Framework Convention on Climate Change (UN FCCC COP21) in Paris. This position was composed of a press release, a roadmap and an action plan, including PIANC’s, EuDA’s and the other members of the coalitions’ relevant publications or workshops. EuDA’s work on Blue Carbon and its External Communication on TSHD are an integral part of

the NaCC roadmap and action plan. Building with Nature is considered 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.

The Coalition organised a workshop in London on 07/03/2016 on Climate Change Adaptation for Navigation Infrastructure and will organise an **International Conference** in Brussels on **27-28/03/2017** on "Climate Change Adaptation for Navigation Infrastructure".

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

"Blue Carbon can directly reduce the atmospheric CO₂ concentrations."

EudA AGM Conference on 15 November 2016 New Business O₂pportunities for the European Dredgers?

Conference's Summary

Since the Kyoto Protocol of 1992, the political wheel has been set in motion to prevent the threat from excessive Climate Change. The main attention and efforts have focused on the biggest anthropogenic source of greenhouse gas (GHG) emissions: CO₂ emissions. All human activities need energy for their proper functioning and execution. The most commonly available energy sources being of fossil origin, the carbon footprint of human activities have kept growing along with the development of the global society and economy, sometimes at a faster pace.

In the Paris Agreement, adopted at the Conference of the Parties (COP21) of the Climate Change Convention in December 2015 and in force since 05/11/2016, politicians agreed to set the absolute global target for the rise of the Earth temperature to 1.5°C, and to take differentiated actions at national level and at sector level. Among these sectors, transportation is a significant source of CO₂ emissions and has to contribute to the global reduction efforts. Mari-

time transport is the lifeblood of modern society, supplying energy, food and commodities as well as catalysing global economic development and prosperity. Although shipping is the most environmentally-friendly and energy efficient mode of mass transport (on a tonne-mile basis), it also needs to contribute its share to the global CO₂ emissions reduction efforts. As members of the shipping community, European Dredgers continuously work on reducing their emissions, by improving fuel efficiency of their equipment (through ship design, better performing engines, etc.) and by improving their best practices to optimise the fuel consumption during operations.

CO₂ emissions reductions however cannot be fully disconnected from the dynamics of the global economy and of global trade, in particular for maritime transport. Therefore, the absolute emission targets set in Kyoto and in Paris cannot be achieved with the implementation of relative measures only, unless the global economy and its related demand for waterborne transport are collapsing. In order to achieve these absolute



EuDA
2016 ANNUAL
CONFERENCE

targets regardless of the developments and evolution in the global economy, political actions and policies targeting the improvement of vessels' performance and efficiency should be complemented with additional measures targeting the reduction of CO₂ concentrations directly from the atmosphere. With their expertise, European Dredgers can contribute to this objective by creating new or restoring marine habitats that are natural carbon sinks, known as Blue Carbon. European industries should pursue their efforts of reducing their CO₂ footprint but should also consider integrating Blue Carbon components into their strategies. European Dredgers can build multipurpose waterborne infrastructures that would also contribute to the CO₂ strategies of the project owners through increased carbon capture and long-term storage of CO₂.

After describing political initiatives at IMO, in the EU and in the Netherlands regarding CO₂ reduction measures, the conference presented the possible solutions offered by the European Dredgers.

- **Introduction to the Conference Theme and Speakers:**

Mr Pieter van der Klis, *Chairman of EuDA Environment Committee, Engineering Manager, Van Oord*,
Conference Moderator

- **Overview of the IMO initiatives to reduce CO₂ emissions from ships:**

Mr Alistair Hull, *Technical Director of the International Chamber of Shipping*

- **European Commission's initiatives to reduce CO₂ emissions from ships:**

Mr Heiko Kunst, *Policy Officer at European Commission's DG CLIMA Unit B3 for International Carbon Market, Aviation and Maritime*

- **Experiences in tendering with the CO₂ performance scale in The Netherlands:**

Mr Harry Zondag,
Rijkswaterstaat's Strategic Advisor for Dredging Programmes, Projects and Maintenance

- **Possible Solutions from the European Dredgers:**

Mr Paris Sansoglou, *Secretary General of the European Dredging Association*

- **Open Discussion and Conclusions**

EudA AGM Conference on 15 November 2016

Key messages:

- urgent action on anthropogenic GHG emissions is needed and the Paris Agreement on Climate Change, that entered into force on 05/11/2016, is the first binding agreement at global level;
- IMO demonstrated it is taking the lead on reducing CO₂ emissions from shipping with its landmark decisions taken at MEPC 70, adopting a Global Data Collection System (regarding fuel consumption from ships and their related emissions) and a roadmap for the implementation of its CO₂ Strategy; verification of the collected data should be done by recognised organisations (e.g. Classification Societies);
- the total CO₂ emissions from shipping are comparable to the CO₂ emissions from a country like Germany;
- Market Based Measures are necessary incentives to properly implement the IMO CO₂ Strategy, shipowners encourage them and are in favour of a levy fund;
- the EU inspired some of the discussions on CO₂ emissions from shipping in IMO and probably accelerated the decision-making process for the recent landmark decisions; the EU intends to continue its contributions to the global discussions on Climate Change issues;
- effectively collected data on CO₂ emissions from global shipping don't exist yet and the **IMO Global Data Collection System** should replace the estimates that are currently the only available data;
- 96% of the CO₂ emissions of all sectors are covered by EU measures, the gap of 4% represents the CO₂ emissions from shipping which, in the near future, should also be included in EU joint efforts for CO₂ emissions reduction; to this end, proposals have been made in the European Parliament to include shipping in the current revision of the Emission Trading Scheme (ETS) Directive;
- EU has made funding (TEN-T) available to support the decarbonisation of all transport modes;
- in the efforts to reduce CO₂ emissions, as the deadlines are fixed (2020, 2030 or 2050), the early movers among the industrial sectors will be faced with a less steep reduction curb of their CO₂ emissions than the late movers;
- the Monitoring, Reporting and Verification (MRV) regulation is the main EU legal instrument for CO₂ emissions from shipping; Dredgers are not excluded from it, but exempted in a first phase because they consume energy to both sail and work and because the most suitable approach to optimise their emissions is project-based rather than ship-based;
- the Dutch administration for infrastructure and environment has set itself the ambitious short term goal of -20% of CO₂ emissions by 2020 (compared to 2009) and to help achieve this goal, Rijkswaterstaat has developed the Dubocalc (Sustainable Construction Calculator) and CO₂ Performance Scale (system certifying the CO₂ performance of companies); the CO₂ Performance Scale is managed independently (by SKAO, the Foundation for Climate-Friendly Procurement and Business) and Rijkswaterstaat can apply the CO₂ Performance Scale to itself;

- the CO₂ Performance Scale is an instrument attributing additional advantages in public tenders to the bidders with the best CO₂ records (and the lowest CO₂ footprint);
- however, approaches aimed at optimising sustainability (including CO₂ emissions) are overall more beneficial and less damaging to the environment than approaches solely CO₂ focused;
- the CO₂ Strategy of the European Dredgers started in 2009; EuDA has established an industry-backed methodology for estimating CO₂ emissions from Trailing Suction Hopper Dredgers (TSHD) and has compiled a short explanatory document, made available on demand (info@euda.be);
- emissions reductions cannot be disconnected from the trends in global economy (and global trade); in the case of European Dredgers, concentrations of numerous powerful vessels and equipment have reverse the general downward trend in 2010 in Europe (due to a.o. Maasvlakte 2 and the London Gateway projects) and in 2015 worldwide (mainly due to the Suez Canal expansion);
- absolute targets, such as -40% by 2050, cannot be achieved solely with relative measures on emission sources, especially when the global economy is booming; complementary work needs to be done on the atmospheric concentrations of CO₂;
- Dredging is not a problem ... it is part of the solution ! Dredgers can and do contribute to CO₂ emissions' reduction, CO₂ offsetting and to mitigation of Climate Change effects; Building with Nature provides a frame to design and implement innovative approaches for waterborne infrastructures including pro-active carbon management;
- Blue Carbon should be part of sustainable strategies for carbon management in coastal zones, specifically for waterborne infrastructures! Pro-active carbon management strategies include: project-based replanting and upfront investment in large-scale carbon uptake; the use of nature-based designs (e.g. Building with Nature) in carbon management provides opportunities to the dredging industry!
- for Blue Carbon to become a business reality, however, a certain amount of work needs to be done in both legislative and political circles: Market Based Measures (MBM) need to be established; Blue Carbon needs political recognition from IMO and EU; Blue Carbon needs market certification and a direct link to MBM; the MBM need a properly functioning market;
- EuDA's positive messages and constructive proposals are encouraging for the Commission Officials: cooperation and proactive approaches (willingly providing data and information to the decision-makers) often result in more practical and workable legislations.

“Sustainable Strategies for Waterborne Infrastructures should include Blue Carbon.”

Participants and guests at the
EuDA 2016 AGM Conference









W.Dirks

Thank you, Wouter! EuDA's "Eco-Strategist" !

Wouter was the first chairman of the Environment Committee of EuDA in 2003, when it was established. Then 5 years later, in view of the growing importance of CO₂ issues in the political agendas and for our public clients, he proposed the creation of an ad-hoc EuDA working group on CO₂ emissions.

You have been with EuDA on this long environmental journey continuously facing urgent and difficult challenges affecting the dredging sector. Through transparent and factual communication, EuDA developed strong contacts and relationships with European and national officials, which have helped the dredging industry building trust and credibility.

You were there when the European Dredging Industry needed you. Under your eco-strategic leadership, Wouter, EuDA helped clarify that, in the context of the Waste Framework Directive, dredged material should not be automatically considered as waste but as a beneficial resource. Under your eco-strategic leadership, EuDA developed its CO₂ Strategy and successfully defended the industry's interests towards the IMO and the EU. The explanations regarding the Monitoring, Reporting and Verification EU Regulation brought by the EuDA Strategy helped the Commission deciding not to include dredging in the scope of this legislation in a first phase.

On behalf of the EuDA Board of Directors, we would like to take this opportunity to thank you for your dedication and commitment during the last 13 years to the EuDA Environment Committee and Working Group on CO₂ emissions.

We appreciated your enthusiasm and sense of pragmatism at the Board and AGM meetings.

However the show must go on and will continue with your successor Paul Vercrujssse (DEME) who we welcome onboard and to whom we wish all the best.

Thank you, Wouter. Good luck to you and Success in your new endeavours!

**Jeanette Rohde,
Vice Chairman**





MAKE **PEO₂**PLE AWARE
OF THE CO₂ ISSUE TO ACT RESPONSIBLY



Blue Carbon ecosystems provide a range of valuable other services (ecosystems services).

Photo: Mangrove Sedding - Jakarta, Indonesia



SOCIAL POLICY

The Human Factor is an essential enabler of maritime excellence. As such, it is a key asset for knowledge-based and innovative industries. With regards to Blue Carbon, skilled and properly trained people are needed to create the necessary new knowledge, then to translate it into innovation and then implement it.

MORE OXYGEN FOR THE FUTURE

EU Mid Term Review consultations

The Commission's long-term policy papers on the *future of maritime transport for the Maritime Strategy, and the future of the whole transport chains in Europe* (DG MOVE White Paper) were reviewed in 2015. In both public consultations, EuDA highlighted the most important priorities for the dredging industry and pleaded: for an improvement of global level playing field and the continuation of State Aid to Maritime Transport, for the opening and access to world markets, for a global approach to legislate global sectors (e.g. through IMO), for the reduction of administrative burdens, for continuing the efforts to fight piracy, for the recognition and support of sustainable initiatives such as Building with Nature, Blue Carbon restoration, for the support of multipurpose waterborne infrastructure through initiatives like the TEN-T (TransEuropean Transport Network), Motorways of the Sea or the Connecting Europe Facility (CEF). EuDA has joined a coalition of European transport associations pleading for the maintenance of the promised EU budget for transport, perfectly in line with the Juncker Investment Plan.

EU State Aid: need for continuation and minor improvements

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 with voluntary measures. 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 challenges, such as operating sea-going vessels against fierce global competition, running the significant risk of relocation 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 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

"The Maritime Guidelines aim at reducing global competition distortions in maritime transport."

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 more recent market developments (since 2013) meant that the approach did not need change.

With regards to the next steps, besides waiting for the responses to open enquiries on specific cases of State Aid to Maritime Guidelines, DG Competition has conceded that some clarifications of the 2004 Guidelines might be necessary in light of the decisions made so far. Indeed, during the 2015 Annual EuDA Conference, DG COMP explained that a limited revision of the Guidelines at some point

in time could not be completely ruled out. The two possible options include: **minor changes** (the most likely option that should bring some clarifications by integrating post 2004 decisions) or major review (the least likely option that would involve a full procedure lasting a few years).

In preparation for the likely revision of the State Aid Guidelines to Maritime Transport, EuDA completed its internal survey and collection of evidence to support EuDA's position. EuDA's recommendations for the Guidelines' light revision can be summarised as follows: while keeping dredging in their scope, the Guidelines should exempt dredgers from the "50% Rule" and enlarge the scope to other self-propelled ocean-going dredging vessels (such as CSD, or other offshore services vessels).



2016 Members of the EuDA Social Committee from left to the right
B. Monteyne (Chairman, DEME), B. T. Franzen (Rohde Nielsen), H. Bleker (Vereniging van Waterbouwers), K. De Geyter (Jan De Nul), G. Klaver (Van Oord), R. Veenstra (Boskalis) and P. Sansoglou (EuDA)

EuDA Survey summary and conclusions:

1) The Maritime Guidelines should be extended in time.

The prolonged effects of the **economic and financial crises**, the fierce global competition, the unfair practices by Asian economic actors and the lack of global level playing field are justifying the use of the Community Guidelines on State Aid to Maritime Transport (Maritime Guidelines). The Maritime Guidelines are needed to compensate for the competition distortions and should be kept.

2) Clarify “maritime dredging” to exempt Dredgers from the ‘50% Rule’.

Compared to their 1997 version, the 2004 Maritime Guidelines imposed stricter conditions on Dredgers: they excluded self-propelled cutters from their scope and introduced the so-called ‘50% Rule’. In light of the approach followed by the European Commission in the **Danish Case** (confirming that the unloading phase was an integral part of transport and therefore eligible), the inclusion of the loading phase of the maritime dredging cycle under the scope of the Guidelines seems perfectly appropriate and justified. This precision, com-

ined with the clarification of the definition of “**maritime dredging**” (fully eligible under the Guidelines), would help justify the **exemption of the Dredgers from the ‘50% Rule’**. This exemption would have positive impacts on the Dredgers by reducing their administration costs, uncertainties and risks.

3) Include self-propelled sea-going vessels faced with fierce global competition.

Several ship types play key competitive roles in the maritime dredging cycle and help make the projects more efficient and economical. Given that the circumstances in which they operate are “analogous” to the ones of vessels eligible under the current Maritime Guidelines (self-propelled sea-going vessels faced with fierce global competition, at significant risk of relocation outside the EU and significantly contributing to the employment of EU seafarers), and, following the approach of the European Commission in the Danish Case, the eligibility to the Maritime Guidelines should be extended to the **self-propelled ocean-going cutter suction dredgers** as well as **offshore service and supply vessels** (e.g. cable/pipelayers, stone dumpers, jack-ups, ...).

EuDA presented these conclusions to DG COMP officials who were very constructive. Following this meeting, dredging was certainly better understood by DG COMP. It was confirmed that State Aid attributed to Maritime Dredging is considered positively as the objectives of the aid 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).

Implementation of the Maritime Labour Convention at European level

The ILO Maritime Labour Convention was ratified in August 2012 and came into force in August 2013. The latest MLC ratifications brought the number of signatories to 79 Flag States representing around 91% of the world tonnage. The latest ratifications include Romania, Slovenia, Estonia and Portugal.

The attention of the EuDA members was drawn to the fact that the **MLC certificate** will have to be renewed to comply with the 2014 amendments of the MLC 2006 on Seafarers abandonment and

“A minor revision of the Maritime State Aid Guidelines is likely.”

crew claims. In this context, it is important to note that in the ILO Special Tripartite Committee, ICS requested the right to extend the validity of the existing certificate for up to 5 months from the expiry date.

Following these amendments of the MLC 2006, the EU legislation, which is a direct transcription of the ILO Convention, was also updated. Regardless of how mechanical this process might appear, attention is needed as there is always the risk of the Commission enforcing stricter legislation and creating competitive distortions.

In most cases, these amendments do not affect the European Dredgers, however the two key issues being discussed with regards to the implementation of the MLC in the Netherlands include: the treatment of project specific personnel as part of the seafarers' teams (for the purpose of MLC) and the newly introduced amendments to the ILO MLC.

Many EuDA members shared concerns over the consequence of such definition which requires the on-board presence of all documents (e.g. contracts) proving MLC compliance for these staff members. In order to improve this situation, EuDA is as-

sessing the situation in several EU Member States and is compiling best practices and / or recommendations for a pragmatic, workable definition of non-seafaring personnel for the purpose of the MLC 2006.

Schengen Visas

In 2014, the European Commission proposed several amendments to the *“Handbook for the processing of visa applications and the modification of issued visas”* (Schengen Visa Code). The amendments seemed to go in the right direction as the intention was to simplify the procedure for ‘bona fide’ sailors and grant them multiple visas, through the Visa Information System (VIS, exchanging visa data, particularly on short-stay visa applications, typical for seafarers), and should reduce the administrative burden.

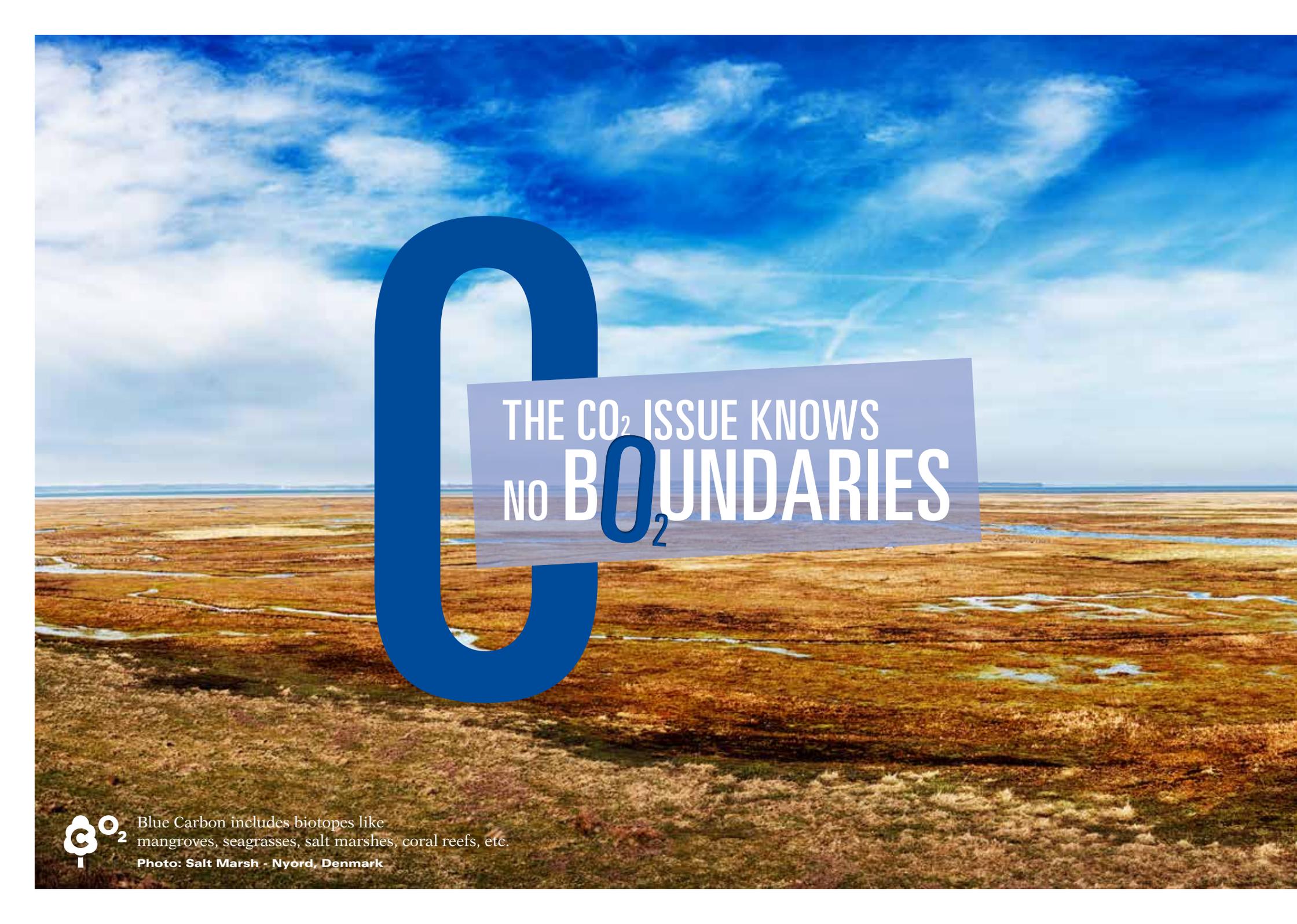
The European Parliament LIBE Committee on Civil Liberties, Justice and Home Affairs published a report on 25/04/2016. While discussions in the European Parliament have progressed, the European Council remains cautious, not easily convinced of the need to implement the proposed changes to Schengen Visas. Indeed, following the migrant crisis and its related security and economic consid-

erations as well as the Brexit vote, Member States remain reluctant (or opposed in some cases) to provide multiple entry visa for three to five years (to bona fide seafarers).

Legislation on Pilotage Exemption Certificates by DG MOVE

Following its consultation on **PECs (Pilotage Exemption Certificates)** in 2013, DG MOVE has so far not made any concrete legislative proposal (expected in 2015). EuDA contributed to this consultation by highlighting that a European framework on PECs would need to harmonise procedures across the EU Member States, to keep administration simple and to avoid unnecessary costs. EuDA will monitor developments.

Despite the fact that the consultation on **PECs (Pilotage Exemption Certificates)** by DG MOVE took place in 2013, no concrete development occurred with regards to a legislative proposal. EuDA's position is that a European framework on PECs needs to harmonise procedures across the EU Member States, to keep administration simple and to avoid unnecessary costs. The SocCom will continue following-up.



THE CO₂ ISSUE KNOWS
NO **CO₂** BOUNDARIES



Blue Carbon includes biotopes like mangroves, seagrasses, salt marshes, coral reefs, etc.

Photo: Salt Marsh - Nyord, Denmark

An aerial photograph of a vast, flat landscape, likely a coastal plain or wetland. The ground is covered in dense, brownish-green vegetation, possibly marshes or reeds. A network of winding, shallow water channels or ditches crisscrosses the landscape, reflecting the bright blue sky. The horizon is flat and extends to the edge of the frame. The sky is a deep, vibrant blue with wispy white clouds scattered across it.

INTERNATIONAL MARKETS POLICY

Because the CO₂ issue knows no boundaries, it can only be tackled at global level. Global solutions, with no more favourable treatment, are the only ones that will make a difference with global sectors such as shipping and dredging.

MORE OXYGEN FOR THE FUTURE

Following the failure of the WTO Doha Round, the direct **'bilateral' agreements** are preferred 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 Comprehensive and Economic Trade Agreement (CETA)

With regards to the content of the CETA agreement, EU and Canada agreed on the key elements and principles: removing over 99% of tariffs between the two economies and create sizeable new market access opportunities in investment and services, including dredging. For dredging, **European built, flagged, owned and crewed dredging vessels (and equipment)** may compete in private dredging projects as well as publicly (federally) procured dredging projects as long as they fulfil the other requirements of the temporary Coasting Trade licence (such as proper insurance and safety, should

also be met before the granting of the license). The entire liberalisation process between EU and Canada demonstrates how complicated and how uncertain negotiations of Free Trade Agreement have become:

- 1) in May 2009, the EU and Canada have started negotiating a Free Trade Agreement, the **Comprehensive Economic and Trade Agreement (CETA)**;
- 2) in October 2013 (4 years later), EU and Canada reached a political agreement;
- 3) in August 2014, the final text of the agreement was completed and officially published in September 2014;
- 4) signing of the CETA by Canada and the EU 30/10/2016;
- 5) ratification by each Member State's Parliaments ?

The process of CETA with Canada nearly collapsed in 2016 at the "legal scrubbing" phase following the equivocal last minute demands by one single European region. Because of the higher public attention in the context of the TTIP negotiations on complex

"The EU ambitions CETA to be a model for a new generation of Free Trade Agreements."

and highly technical issues such as discussions on Investor-State Dispute Settlement (ISDS) and the so-called Singapore case, the completion of the CETA process became more political and less technical. In fact, more and more Free Trade Agreements are at risk of becoming more political and more difficult to negotiate.

The whole point of negotiating Free Trade Agreements is in essence to get the two sides of the negotiating table to agree on the whole deal or on no deal at all, with concessions on both sides regarding their respective defensive and offensive interests. And so, allowing the ratification process to split the FTA deal into its sub-components in each Member States is likely to **open Pandora's box for the FTAs**: not only will this create guaranteed delays in the agreement procedure, but it will cast significant doubts on the actual negotiators' capacity and mandate to negotiate any chapter at all of the agreement. Ultimately this will become a non-starter for most economic partners to start negotiating altogether.

Seeing the increased transparency in the approach of the Commission to communicate on FTAs, most Member States have the opportunity to present

their views and expectations during the negotiation process and shape its process in a constructive manner. Making stringent demands at the end of the negotiation process and, in so doing, taking hostage all negotiating parties, including the other Member States, is a particularly destructive approach.

EU-US negotiations (Transatlantic Trade & Investment Partnership)

Largest economy in the world and free trade champion, the US is the biggest trade partner of the EU and a top priority to negotiate a Free Trade Agreement with. 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 had started negotiating the **Transatlantic Trade and Investment Partnership (TTIP)**.

Before the results of the 2016 US presidential elections, the EU also ambitioned to make of the TTIP a **model agreement** that could have shaped global rules on trade and could have been used as a template for all the following agreements. This model agreement intended to include the elimination or reduction of tariffs across most sectors (including services, investment and public procurement) as well as the

“Mixed Agreements, the Achilles’ Tendon of Free Trade Agreements ?”

elimination or reduction of non-tariff barriers such as differences in technical regulations, standards and approval procedures, which cost unnecessary time and money to companies selling their products or services on both markets. However, since the election of President Trump in the White House, the probability of concluding in the near future any trade deal between the EU and the US is near to zero.

The EuDA Task Group on US Market Access

EuDA provided input to the 2013 EU consultation on TTIP and circulated a Memo outlining its **Strategy**. The Commission Units dealing with “Trade in Services” and “Public Procurement” showed great interest in the European dredging industry because they represented an ‘offensive interest’ for Europe in the negotiations and possibly a “low hanging fruit”.

TTIP presented **European Dredgers with an opportunity to seize**. EuDA established in 2014 a temporary Task Group on US Market Access (TG USMA) to provide advice to the Board of EuDA. The main purpose of the TG USMA was to establish a **EuDA common Strategy** and provide solid argumentation and technical support to the European negotiating parties in order to obtain improved access to the US dredging market.



**2016 Members
Task Group on USMA**
from left to the right

- L. V. Starris (Rohde Nielsen)
- D. Luttj (Jan De Nul)
- F. de Wit (Van Oord)
- J. Bogaards (Boskalis)
- S. Verlinden (DEME)
- R. Poelhekke (NABU)
- P. Sansoglou (EuDA).

The EuDA Strategy

EuDA based its Strategy on **US Market & Legal Intelligence**. The gathered data-information-knowledge allowed EuDA to establish a fact-based approach, designed to convince both sides of the TTIP negotiating table.

EuDA's approach provided clear facts and objective arguments that demonstrate the mutual interest for both the EU and the US to open their respective dredging markets to each other. On one hand, the European dredgers would gain access to a significant world markets so far inaccessible. On the other hand, the US would be able to

- access the best available dredging knowledge, technologies and know how in the world;
- create more jobs, training and development opportunities for US citizens;
- obtain more with the same budgets (more added value, lower costs and shorter time per project);
- dispose of better and more efficient waterborne infrastructures;
- obtain significant improvements in terms of safety (e.g. coastal protection) and environment (e.g. Building with Nature);
- use a more efficiently the Tax Payers' money for their waterborne infrastructures.

Moreover, the European Dredgers' Strategy targets the minimum legislative changes and essentially focuses on the most workable solution. Among the legislative barriers, the Dredging Act is the most prominent barrier preventing European Dredgers from entering the market and providing their specialised services to the US waterborne infrastructures managers.

Highlights of EuDA's 2016 activity

European Administrations

In 2016, the European administrations, including European Commission and Member States officials, were approached on regular basis, kept informed and provided with the argumentation of EuDA (summarised in the two-pager "*TTIP Implementation Memo for Dredging*").

EuDA had regular meetings and exchanges with **Commission officials** from all levels of the hierarchy (from Commissioners down to the specialised commission services within DG TRADE, MOVE and GROW). EuDA's action at national level concentrated on the **BeNeLux administrations**, among which Luxembourg held the EU Presidency until December 2015 and the Netherlands follows until June 2016.

On 23/02/2016, a high level EuDA delegation, composed of Mrs Jeanette Rohde, acting Chairman and Vice Chairman, Mr Jacques Paynjon TG USMA chairman and Mr Paris Sansoglou met with Mrs Malmström's Cabinet Mr Christian Burgsmüller, Member of the Malmström Cabinet in charge of TTIP, and Mr Luigi Poli, Commission Official dealing with the TTIP negotiations on Services.

EuDA's key messages were well received, understood and accepted: with currently no access to the US market, European Dredgers have a strong interest in opening the US market and proposed a strategy keeping the Jones Act untouched while addressing the Dredging Act's restrictions. EuDA also asked what the European Commission could do to help.

EuDA members were regularly invited by Benelux Ministries of Foreign Affairs to discuss and update them on the EuDA Strategy. The level of participation from the administrations showed the high level of dredging on their respective TTIP agendas. In the general context of FTA negotiations, it is important to keep Benelux diplomats and politicians updated and informed on a regular basis. Industry should insist that it is critical to treat dredging on its own, as a main European priority for the nego-



tiations, not merged with other maritime activities that face different barriers, such as the Jones Act. Negotiators should target the Dredging Act and disconnect dredging completely from any Jones Act related discussions.

At the suggestion of Benelux diplomacy in the US, EuDA is considering the organisation of a mission to the US in 2017. This visit would be dedicated to the opening of the US dredging market and European dredging companies could explain their announced “win-win” and meet with all US stakeholders that are involved in this issue (port authorities, USACE, maritime administrations, unions, etc).

Lobbying Campaign in the US

The main objective of the **lobby activities in the US** would be to obtain the changes of the legislation in order for European Dredgers to access the US dredging market. The political targets are carefully selected and were approached in order to keep as much as possible a ‘low profile’. However, since 2015, the discussions have become more public and visible through exchanges in major US newspapers. EuDA work in the US continues through a US Consultant and is gathering support and momentum.

In the US, EuDA had regular meetings and exchanges with various officials from all levels of the hierarchy (from deputy Assistant US TR, Obama administration, other Congress assistants. Among the highlights in 2016, there were

1. the investigation of seaport disruptions and their effect on certain economic industries by the US Government Accountability Office (**GAO**), the “congressional watchdog”;
2. and the favourable story by the **Washington Examiner** (07/11/2016), calling for opening the US dredging market soon.

The GAO investigation created an opportunity for trade associations, such as the American Apparel and Footwear Association and the Consumer Technology Association, to highlight the importance of allowing European dredgers to work in the US (and focusing on the Dredging Act on its own). Moreover, in July 2016, five major US trade associations, representing some of the largest users of US ports, sent a letter to US Trade Representative Froman, later published by the Washington Examiner. In their letter, these US trade associations called for an opening the US dredging market and made it very clear that it would benefit American interests. This action further raised the profile of this issue within the negotiations and outside.

US elections:

With the election of President Trump in the White House, the perspectives of concluding a Transatlantic Trade & Investment Partnership (TTIP) seem to have been seriously eroded if not disappeared. In his campaign, US President Trump expressed harsh opposition to the Trans Pacific Partnership and little support for TTIP, on the contrary.

Although still hoping that some form of agreement with the US could still be concluded, EuDA remains pragmatic about its main priority and objective: accessing the US dredging market.

EuDA would like to take this opportunity to wholeheartedly thank the European Commission and its officials of all ranks that have been painstakingly negotiating this TTIP deal, faced opposition in the US and in the EU, but continued to try and get the best deal possible for Europe. EuDA has worked particularly closely with the units of **DG TRADE** dealing with **Services** and **Public Procurement** and wants to express the gratitude of its members for all their often unseen but so appreciated efforts.

Thank you!



F. De Wit

Thank you, Freek!

Freek de Wit joined the EuDA Task Group on US Market Access (TG USMA) from its

inception in 2014. With his experience in the US (Alaska in the 80's) and as EuDA Board member, he was a key member of a team of experts of very different but complementary backgrounds. Following his retirement from Van Oord, Freek had to give up his seat in the TG USMA. We appreciated, Freek, your active participation in the discussions and your valuable contributions.

On behalf of the EuDA TG USMA colleagues, we would like to take this opportunity to thank you, Freek, for your commitment to our task group and for the time and advice you gave us with regards to market access issues affecting the European dredgers in America.

We appreciated your enthusiastic contributions and clear points. We wish you all the best in your new endeavours and welcome your successor from Van Oord, Mr Mark Roelofs.

Thank you, Freek! Farewell, Sailor!

Paris Sansoglou,
TG USMA





VO₂ICE PROMOTING
MORE OXYGEN FOR THE FUTURE



Blue Carbon Strategies need Market Based Measures, political recognition, a market certification and a functioning emission trading market.

Photo: Dunes - Oostduinkerke, Belgium



EU DA ORGANISATION

The European Dredgers have united their voice under the Flagship of the European Dredging Association (EuDA). For more than 20 years, EuDA has voiced the concerns of the European Dredgers and promoted their innovative solutions to the European and international fora.

MORE OXYGEN FOR THE FUTURE



Belgium

Baggerwerken Decloedt & Zoon N.V.
DEME Building Materials N.V. (DBM)
DEME Environmental Contractors N.V. (DEC)
Dredging International N.V.
Dredging & Contracting Belgium N.V.
Eraerts Dragages et Entreprises S.A.
Fédération du Dragage Belge A.S.B.L.
GeoSea N.V.
Jan De Nul N.V.
Kalis S.A.
Van Oord België B.V.B.A.



Bulgaria

Boskalis Offshore Subsea Contracting B.V.
Dredging International (Bulgaria) Services



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

Dredging International N.V. (Branch Finland)
Terramare Oy



France

Atlantique Dragage S.A.R.L.
CBD SAS
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

GeoSea N.V. (Branch Germany)
HDC Wasserbau GmbH Nord
Hegemann GmbH
Heinrich Hirdes GmbH
Jan De Nul Nassbaggerei und Wasserbau GmbH
Nordsee Nassbagger-und Tiefbau GmbH
OAM-DEME Mineralien GmbH
Strabag Wasserbau GmbH
Van Oord Deutschland 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.
Jan De Nul (Italia) SpA
Societa Italiana Dragaggi SpA 'SIDRA'



Latvia

Baltic Marine Contractors SIA
Dredging International N.V. (Latvian Branch)



Lithuania

UAB Boskalis Baltic



Luxembourg

Dredging and Maritime Management S.A.
Dredging International (Luxembourg) S.A.
GeoSea (Luxembourg) S.A.
Societe de Dragage Luxembourg S.A.



Netherlands

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.
de Vries & van de Wiel B.V.
DEME Building Materials BV (DBM)
Dredging and Contracting Rotterdam B.V.

Mijnster zand- en grinthandel B.V.

Paans & Zonen B.V.

Oceanflore B.V.

Tideway B.V.

Van den Herik B.V.

Van der Kamp International Dredging 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



Spain

Baggerwerken Decloedt & Zoon España S.A.

Boskalis B.V. Sucursal en España

Dravo S.A.

Dredging International España S.A.

Sociedad Española de Dragados S.A.



Sweden

Boskalis Sweden AB

DEME Environmental
Contractors N.V. (Branch Sweden)



UK

Boskalis Westminster Ltd.

British Marine Aggregate
Producers Association (BMAPA)

DEME Building Materials Ltd

Dredging International (UK) Ltd.

DEME Environmental
Contractors N.V.
(Representative Office UK)

Jan De Nul (U.K.) Ltd.

Llanelli Sand Dredging Ltd

Rock Fall Company Ltd.

Van Oord UK Ltd.



Norway

Van Oord Norway AS



Poland

Boskalis Polska Sp. z o.o.



Portugal

Boskalis Sucursal em Portugal

Dragapor Dragagens de Portugal S.A.

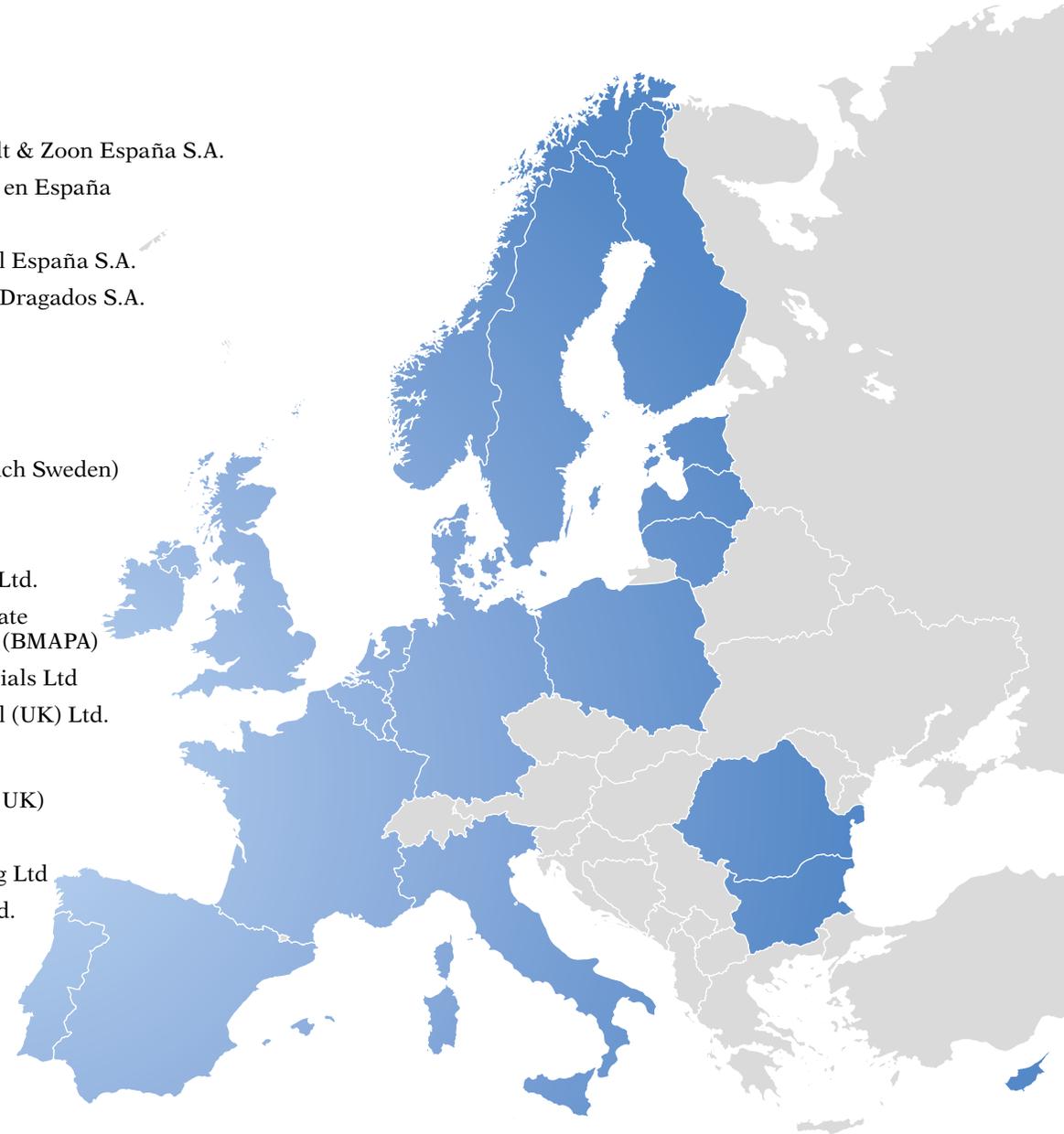
Dravo S.A.

Dredging International N.V. (Branch Portugal)

Romania

Van Oord Dredging and Marine Contractors

Boskalis International B.V.



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.



In 2016, the Members of the Verification Committee were: from left to the right M. Fordeyn (Jan De Nul) and H. Vermeire (DEME)

About 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 9.2bn Euro in 2015. 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 emphasising Social, Environmental 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.



EuDA Secretariat Paris Sansoglou, Secretary General Isabelle Gourdin, secretary

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