



ANNUAL REPORT 2012

The dredging people's story



EUROPEAN DREDGING ASSOCIATION





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



Decisive

That's who we mature.

maker

With the combination of their long standing strategic vision and entrepreneurship, the European dredging managers aim at continuously strengthening and diversifying their services in order to maintain and increase their company's world leadership.

son

ss





After the crisis years,
the years of plenty?

Marc Stordiau, Chairman

When an earthquake causes a devastating tsunami the combined effects of which additionally create a nuclear incident, it is difficult to imagine a more severe test for the preparedness and defences of the affected country. Similarly, when a global financial crisis triggered a global economic crisis which later evolved into a systemic crisis by adding a social and political crisis, the solidity of our political, economic and social structures have been seriously tested and revealed some limits to their resilience. When structures, physical or political, fail to deliver, it is more

than time to fix or rethink them, at least partially. As recognised in Oslo with the award of the Nobel Peace Prize to the EU Institutions, the peaceful unification process of Europe is certainly not in question here and, on behalf of EuDA, I would like to take this opportunity to congratulate our European leaders for accepting the Prize on behalf of all the EU citizens.

Among the many questions emerging from these crises, there is the one of *the role Europe should play in the world*: as dredgers, we want to continue doing what we are good at, do it better and better and do it more and more. Key to European competitiveness, the economic union should be completed and the Euro's foundations reinforced. When the progress towards political union remains hesitant or unclear, more fundamental pillars of the EU are questioned. In globally competitive environments, "*Unity makes*

strength" and our European Union still needs to be strengthened.

When reviewing 2012, it was another good year for the European Dredgers as indeed both turnovers and margins increased. Many projects around the world were won by Europeans, sometimes against harsh and fierce competition. Nevertheless, dredging markets are suffering from the general global slowdown and become increasingly affected by the 'austerity measures' delaying or cancelling sometimes very necessary projects. Moreover in this difficult situation, certain countries, namely China, do not refrain from using unfair practices, such as tied aid schemes, to further aggravate the drought of projects by closing markets in Africa, Asia or South America to global completion (reserving them for their heavily subsidised state-owned companies).

2012
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



G. Vandewalle

“As dredgers, we want to continue doing what we are good at and do it better and better and more and more.”



In 2012, the European Dredging Association (EuDA) was active at European level, but also implemented focused actions at national and international levels, where important issues affecting directly or indirectly the European dredging industry were discussed and debated. EuDA's main focus remains the European Institutions and most of its activity in 2012 was engaged in discussions with the European Commission on a wide range of topics including:

- 1) State Aid to Maritime Transport;*
- 2) CO₂ and on Sulphur emissions;*
- 3) the enforcement of the ILO Maritime Labour Convention.*

Moreover, European dredging companies around the world have been faced with protectionism, market access barriers and other competitiveness distorting measures. One of these situations involving India was brought to the attention of EuDA. With the coordinated efforts of the EuDA members on one hand and the Benelux and the EU's diplomatic networks on the other, the repeal of India's countervailing duties on European dredgers and their spare parts was obtained.

EuDA continued its groundwork on the national implementation of European and international legislation, including the revised Waste Framework Directive and the ILO Maritime Labour Convention.

EuDA's 2013 agenda, in continuity of its past efforts, will include:

- 1) The revision of the European State Aid Guidelines;*
- 2) The new regulations with respect to emissions by marine vessels;*
- 3) The implementation of the Maritime Labour Convention (MLC 2006).*

European State Aid Guidelines

In response to the public consultation on State Aid to Maritime Transport by DG COMP (competition), EuDA explained the reasons why the Maritime Guidelines should be continued, why the dredgers should continue to be included in them and how they could be improved. These reasons will be regularly repeated to the Commission during the revision process which EuDA will monitor and follow up very closely.

“EuDA is pleading for the continuation of the Guidelines on State Aid to Maritime Transport.”

The new regulations with respect to emissions by marine vessels

Following the adoption of mandatory technical and operational measures to reduce emissions of greenhouse gases (GHGs) from international shipping in July 2011, the political debates in IMO and the European circles were mainly focusing on the concrete implementation of the decision as well as the development of market based incentives. On this issue, the European Commission, through DG Climate Action, has been promoting the Emission Trading Scheme: “capping” the CO₂ emissions for an entire industry segment and trading emissions permits, progressively reduced according to the emission targets. The implementation of this scheme to global industries such as maritime transport would not be feasible.

To assess the situation on this issue for the European Dredgers, EuDA organised its 2012 AGM Conference around “*Measures to reduce CO₂ Emissions from Shipping*”. With the help of well chosen speakers, some clear conclusions could already be drawn with regards to dredgers. Among the possible Market Based Measures, the European Dredgers are strongly in favour of the International Levy Fund. And most of EuDA’s views on the matter are broadly shared by the international community of the shipowners.

Since 2008, the European dredging companies agreed to establish a joint CO₂ Strategy for the industry. In 2012, EuDA managed to unanimously rally all its members behind it. In brief, this strategy aims at finding practical ways to tackle the issue of CO₂ emissions for the dredging industry as mentioned in the joint EuDA-IADC statement submitted to IMO in 2010. In 2012, EuDA made significant progress towards compiling a set of fact based emission figures for the EuDA dredging fleet and establishing a transparent calculation method.

In 2013, EuDA will focus its analysis on the developments in policy and technology, with regards to SO_x, NO_x and other emissions of maritime vessels.

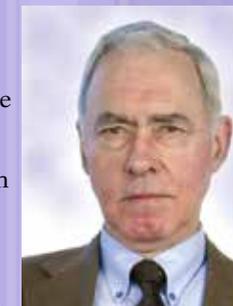
The implementation of the Maritime Labour Convention (“MLC 2006”)

As expected, the ILO Maritime Labour Convention (MLC 2006) was ratified in August 2012 when Philippines and Russia completed the list of 30 signatories, representing roughly 60% of the world tonnage. This means that the Convention will be entering into force in August 2013 worldwide and that all the world fleet would need to be compliant.

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

Thank you, Géry! Always reliable!

Géry Vandewalle 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!



G. Vandewalle

Inside and outside the board meetings, discussions between competitors are never easy and we had to face critical moments over the years: like in 2009, when we were unfortunately faced with the dramatic situation of the hijacking of the Pompei. Co-owned by Jan De Nul and DEME, the vessel and its crew were thankfully returned back safe.

Géry represented the dredging company Jan De Nul in the EuDA Board with its usual thoroughness. His views during the board meetings were appreciated as well as his commitment to the dredging industry.

On behalf of your colleagues in the EuDA Board of Directors, I would like to thank you, Géry, for your reliability and dedication during these years to EuDA. We wish you all the best in your retirement! We already had the opportunity to welcome your successor Mr Pierre Tison, our current Treasurer.

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

Marc STORDIAU, Chairman

Innovat

That's what
we nurture.

minods

The European dredgers regularly challenge the limits of their knowledge in order to constantly improve the added value of their services as well as to repeatedly raise their operations' efficiency. This is the never ending journey towards excellence.

I IVE



European Excellence in Collaborative Research

For most industries in the high tech maritime markets, global leadership can only be achieved, maintained or improved through innovation. The European dredging companies continuously invest in Research, Development and Innovation (RDI) in order to keep ahead of their worldwide competitors and provide their clients with increasing added value. Besides continuous improvement of their operations and systems, EuDA members also reflect on and adopt new approaches.

With around 80% of the largest population centres located in coastal areas, new challenges have arisen with urbanisation, economic development, protection of natural environments and biodiversity, accelerated sea level rise, subsidence and climate change. At the same time, people increasingly realise that the only realistic way forward in the long run must be sustainable: serving society and stimulating the economy while respecting nature. This requires new knowledge and innovative approaches: 'Building with Nature' is such an approach, integrating the interests of local communities, fostering economic development as well as caring for the environment.

The 'Building with Nature' approach is comparable to a partnership with Nature, integrating both physical and biological aspects of Nature in a project's design, EcoDynamic Design (EDD), and implementation so that the project integrates more harmoniously and more harmlessly into Nature and when possible to Nature's benefits.

*"Building with Nature'
is a partnership
with Nature."*

Building a "Sustainable Future" with Nature

Innovation programme

The Netherlands has established a "Building with Nature innovation programme" committed to the integration of infrastructure, nature and society in new or alternative forms of engineering that meet the global need for intelligent and sustainable solutions. The programme is managed and implemented by EcoShape, a consortium of private parties, government organisations and research institutes.

The mission of EcoShape was to create a stimulating atmosphere of trust, mutual respect and solidarity wherein disciplines from natural sciences, technology and social sciences are brought together, to successfully operate and cooperate in the continuum between nature, engineering and society.

'*Learning by doing*', Building with Nature has essentially been about building key knowledge on the basis of concrete case studies and pilot projects in the Netherlands and Singapore. EcoShape focused its research efforts on how to use the interaction between biotic and abiotic processes as well as on how to get this translated within existing administrative and legal procedures. In parallel and coupled with these projects and case studies, the programme has been running 19 PhD-projects.



The Building with Nature programme has come to an end: it ran from 2008 till 2012 with a budget of approx. 29 M euro funded from public as well as private sources. The Building with Nature consortium was composed of dredging companies and organisations (Boskalis, Van Oord and Vereniging van Waterbouwers), Scientific Institutes (Deltares, Imares, NIOO-CEME), Consultants (Witteveen + Bos, DHV, Haskoning, Arcadis), Manufacturing Industry (IHC Holland), Universities (Delft, Wageningen, Twente), Port authority (Harbour of Rotterdam) and Government (Rijkswaterstaat (RWS-DI), City of Dordrecht). Additionally, the programme also involved “strategic partners” such as the province of Zuid-Holland or Nature protection NGOs (It Fryske Gea, Nature Climate Buffers).

Design Guideline

EcoShape had set itself and achieved the following five ambitious goals:

- 1° Gathering and developing ecosystem knowledge enabling water-related building with nature;
- 2° Developing scientifically based and location-specific design rules and environmental norms;
- 3° Developing expertise in applying the Building with Nature concept;
- 4° Demonstrating that Building with Nature solutions work, with practical examples;
- 5° Ensuring that the Building with Nature concept is adopted by society.

While achieving these objectives, EcoShape gathered detailed analyses of physical, ecological and social systems from the projects/PhDs and produced one of the cornerstones of the Building with Nature programme: the **Building with Nature Design Guideline** translating this knowledge into practical lessons learned for hydraulic engineering and water and ecosystem management. The Building with Nature programme has been building up a portfolio of solutions to inspire future designs in hydraulic engineering projects and to deal with uncertainties and multi-stakeholder decision-making processes.

Review of FP7's maritime transport research priorities

As the 7th Framework Programme, FP7, comes to an end in 2013, it is useful to remind ourselves its ambition and approach. With a total budget of 50.5 bn euro (excluding Euratom), FP7 marked a clear political will to make the EU the “*most dynamic competitive knowledge-based economy in the world*”. Indeed the level of funding more than doubled with regards to previous Framework programmes. However the length of the programme has also increased to 7 years (2007-2013). When the crises hit in 2008 and spiralled down, research remained key to exiting them and to reaching economic resilience. In the next programme, FP8 or Horizon 2020, the European Institutions have confirmed their ambitions for research and allocated 77 bn euro to fund European Research from 2014 till 2020.

FP7 has been focusing on four main research categories, *Cooperation, Ideas, People* and *Capacities*, under which the research framework programme was structured. The non-nuclear research activities of the Joint Research Centre (JRC) are grouped under a specific programme with individual budget allocation.

The core of FP7 is Cooperation, with €2.4 bn funding research activities carried out in trans-national cooperation to consolidate European leadership in key scientific and technology areas.

Transport (including aeronautics) is one of the ten themes under Cooperation (also including Health, Food, Agriculture and Fisheries, Biotechnology, Information & communication technologies, Nanosciences, nanotechnologies, materials & new production technologies, Energy, Environment (including Climate Change), Socio-economic Sciences and the Humanities, Security, Space, Coordination of Research Activities, Joint Technology Initiatives).

The funding of Transport research represented 4.2 bn euro of which the vast majority went to aeronautics (3 bn euro). The remaining budget is split between the so called surface transport modes: maritime, road and rail. Road took the lion share, leaving 195 M euro to maritime transport.

For maritime transport, FP7 was split into 6 calls (last to come in 2013). The research priorities for maritime transport have been set in a dialogue with the industry through the European Technology Platform WATERBORNE.

FP7 Maritime Transport Research Priorities by Call:

1st call (2007) under **Greening**: electric ship technology, clean and energy efficient marine diesel power trains, end-of-life strategies for vehicle/vessels, ecoship;

2nd call (2008) under **Greening**: new ship propulsion systems, preventive and emergency intervention to protect marine, coastal and land environments;
under **Competitiveness**: the competitive ship;

3rd call (2010) under **Eco-innovations**: energy efficiency, after-treatment, retrofitting and dismantling processes;
under **Competitiveness**: technology transfer;

4th call (2011) under **Eco-innovations**: green retrofitting, zero emission ships, inland fleet;
under **Competitiveness**: strengthening competitiveness;

5th call (2012) under **Eco-innovations**: inland shipping, human element factors;
under **Safety**: safety in arctic conditions;
under **Competitiveness**: innovative materials, e-guided vessels;

6th call (2013) under **Eco-innovations**: towards the zero emission ship;
under **Safety**: ships in operation,
under **Competitiveness**: low cost flexible automation and mechanisation in small & medium shipyards, strengthening the research and innovation strategies of the transport industries in Europe.

Green

That's
what we
ripen.

thinking

With the help of multidisciplinary teams of engineers and scientists working side by side, European dredging companies understand better Nature's ways and can integrate Nature into their projects to reduce their environmental footprint.

ights

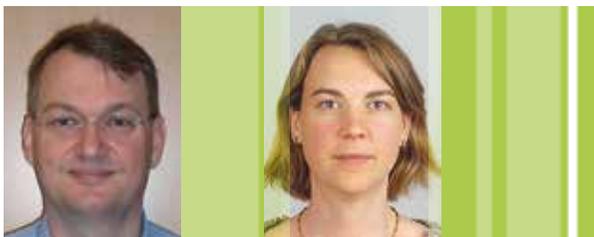


“In the majority of cases, dredged material is not a waste but a resource to put to beneficial use.”

Introduction: new chairman

When the opportunity came, Mrs Anneke Hibma decided to take on the challenge of a project on environmental coastal engineering in Australia. Therefore, she had to resign from her position as Chairman of the EnvCom. Her replacement, Mr Pieter van der Klis as Chairman of the EuDA Environment Committee, received the full support of the EnvCom and the Board of EuDA.

Pieter van der Klis is a *senior hydraulic engineer at Van Oord, specialised in coastal/marine structures.* He obtained a M.Sc. in Civil Engineering from Technical University Delft and has developed a long experience in civil engineering and dredging projects. Since 2004, he works for marine contractor Van Oord, in the Department for Estimating and Engineering. Furthermore, since 2012, he also replaced Anneke Hibma as *programme manager for EcoShape* (see Chapter 2: R&D Policy) – Building with Nature and is case manager Southwest Delta in this programme.



Revised Waste Framework Directive

In the majority of cases, **“dredged material is not a waste”** but a resource to put to beneficial use. However, this fact has not always been recognised by the policy makers and legislators across Europe and still is not recognised in some specific cases.



2012 Members EuDA Environment Committee from left to the right : P. van der Klis (EnvCom Chairman, Van Oord), A. Hibma (EnvCom former Chairman, Van Oord), G. van Raalte (Boskalis), M. Russel (BMAPA), E. Mink (Interel), F. van Dongen (Vereniging van Waterbouwers), B. Callaert (JDN), E. Van Wellen (DEME) and P. Sansoglou (EuDA).

At European Commission level, the successful lobbying of EuDA achieved a recognition of this fact and *'dredged material' was removed from the scope of the 2008 revised 'Waste Framework Directive' (WFD) unless proven hazardous*. EuDA has continued its work on this issue, providing guidance and support to the relevant administrations of the EU and the Member States alike.

At the workshop on *'Dredged Material and the Waste Framework Directive'* jointly organised by EuDA-CEDA-ESPO in 2010, significant differences in the implementation of the Waste/Water Framework Directives were identified between (and sometimes within) Member States. It appeared that the implementation of the Waste Framework Directive into the national legislations seems to vary significantly between Northern and Southern EU countries. EuDA's aim is to promote the proper transposition of the new approach of the revised Waste Framework Directive into the national legislations of the EU Member States and to open up the options besides landfill for the relocation or reuse of dredged material. The restriction of choice between relocation options can lead to unnecessary cost increases for certain projects and postponement or cancellation for others. EuDA opted for a targeted country-by-

country approach as a complementing second phase of lobbying. Having identified the UK, Spain and Italy as key Member States to target, EuDA established a suitable lobbying approach in the form of the national experts' workshop on *'Dredged Material and the Waste Framework Directive'*.

In the case of the **UK**, EuDA approached the British Ports Association and the UK Main Ports Group and learned that, in general, the UK ports were relatively satisfied with the current stable mutual understanding with the administrations delivering the dredging permits. They saw no immediate need to change the legislation. Moreover, the UK recognises exemptions to the general rule, such as in the case of marine aggregates (extracted from the seabed) not classified as "waste". According to the UK law, besides a few exemptions, dredged material is automatically classified as waste regardless of the new approach adopted in the revised European Waste Framework Directive.

In **Spain**, the situation is similar with regards to the legislation: the ports need to open up the relocation possibilities of their dredged material, in line with the revised Waste Framework Directive. However, the contacts with Puertos del Estado confirmed strong

interest in organising a national experts' workshop around this issue (in Spanish).

Italy is also faced with these issues. There, EuDA took advantage of the organisation of different discussion fora addressing the new approach of the waste hierarchy and the possibilities to exit the waste cycle (e.g. after treatment). Following a successful presentation in 2011 at the port of Livorno conference, EuDA participated in RemTech in September 2012 and to the Su.Ports workshop in October 2012. RemTech is a specialised event organised in Ferrara and dedicated to *remediation technologies and territory requalification*. EuDA made a presentation on the revised Waste Framework Directive in the section dedicated to *coastal and sea protection*, Coast Expo. EuDA's key messages about the interest of the new approach to waste legislation and its importance for Italy (lacking more and more in landfill space) were supported by CEDA in its presentation at the event. Su.Ports stands for Sustainable Local Ports Management and is an INTERREG supported project. Su.Ports organised a workshop in Piombino focusing on the difficult situation of the smaller ports with regards to sediment management across Europe (not limited to Italy).

Consultation on the revised Waste Framework Directive

DG ENV organised a Technical Working Group composed of Member States' experts to produce a Technical Report on how to assess the hazardousness of different categories of wastes. At the completion of the report, DG ENV organised a public consultation to which EuDA, CEDA, ESPO and PIANC made a joint submission highlighting the following points:

- 1° to secure navigation all over Europe, capital and maintenance dredging in ports and waterways is necessary and thus vital for the economy. The yearly dredging amount is estimated to 200M m³. Most of this material is of natural origin and remains in the aquatic environment;
- 2° in most cases across the EU, Dredged Material will not be classified as (hazardous) waste;
- 3° Dredged Material relocation is regulated by international conventions, is affected by some EU legislation and is managed under national rules. Special attention is needed to cross compliance (and its simplification if possible);
- 4° finally because of the aquatic environment in which it is handled and mostly relocated, there are significant differences (physical properties) between dredged sediment and land extracted materials, which should be taken into account when legislating.

Integrated Maritime Policy

EuDA has always been actively following up the Maritime Policy with a particular focus on the Maritime Spatial Planning (MSP), contributing to the discussions. EuDA was invited to make a presentation at the high level conference on Maritime Spatial Planning hosted by Ms Maria Damanaki, Commissioner for Maritime Affairs and Fisheries. On 26 March 2012, Mr Hendrik Postma represented the European dredgers in this event and highlighted how important dredgers are to seize the opportunities from the sea and transform its threats into opportunities (see main conclusions of EuDA's 2011 AGM Conference).

CO₂ Emissions

The main theme of the 2012 EuDA AGM conference dealt with "*Measures to reduce CO₂ emissions from Shipping*". Most of the work on CO₂ related issues is done within the now well-established EuDA CO₂ Working Group. This group functions as the central knowledge point of the European Dredgers dedicated to emissions. For more detailed description of the activities of EuDA on this issue, please go to Chapter 4 on "*Climate Change and Coastal Defence*".

“Reducing CO₂ requires investing in a state-of-the-art fleet.”



Other emissions in ports (PM, NO_x, SO_x, VOCs)

Besides GHGs, EuDA follows closely the developments concerning the *sulphur content of marine fuels* and, in line with ECSA's and ICS' positions, presented a position to selected Members of the European Parliament of the Transport Committee and the Environment Committee, highlighting the particulars of the Dredging Industry and promoting a realistic and practical approach. The main concern is over the IMO defined Emissions Control Areas (ECA) and more specifically the one in the Baltic Sea. Like the shipowners, EuDA is convinced that the lower thresholds for fuel oil sulphur content in this Sulphur Emissions Control Area are likely to trigger a switch from heavy fuel oil to distillates. This in turn will increase costs and threaten a 'reverse modal shift' from sea back to land (mainly road transport). Besides increasing the costs, the switch to distillates also brings challenges on the energy infrastructures and questions the capacity and will of the energy majors to adapt to this new demand pattern.

On 29 October 2012, the Transport Council adopted the amendments to the Sulphur Directive which in effect implement the dispositions of IMO MARPOL Annex VI on sulphur content of marine fuels with

stricter deadlines (strictly by 2020 not between 2020 and 2025) and additional restrictions on passenger ships.

EuDA is also concerned about the technical developments in this field and plans to organise a specialised technical workshop on sulphur (including overview of available technologies and solutions such as possible alternative fuels or scrubbers).

Habitat Directive and Expert Group on River environments

EuDA actively participated in a Commission working group focusing on the implementation of the Habitats Directive in River environments. This group has worked much faster and more efficiently, thanks to the experience of the previous working group on estuaries (*"The implementation of the Birds and Habitats Directives in estuaries and coastal zones, with particular attention to port development and dredging"* in which EuDA also actively participated).

The group has completed its work and the Guidelines on "Inland waterway transport and Natura 2000: *Sustainable inland waterway development and management in the context of the EU Birds and Habitats Directives*" have been published. In these Guide-





*“Maintenance dredging
can contribute
to both navigation
and Natura 2000 objectives.”*

lines, (maintenance) dredging is referred to as a measure that could be designed in such a way as to achieve or respect both environmental and navigational objectives. One of the major challenges of the document was to clarify the decision of European Court of Justice over the so called Ems Case.

Dredging highlights in the River Guidelines

1° The Guidelines on inland waterway transport and Natura 2000 explicitly clarified the difference between capital and maintenance dredging:

“Capital dredging involves the excavation of materials from the main river channel in order to deepen the channel for ship navigation. If such an intervention is likely to have a significant effect on one or more Natura 2000 sites it will require an appropriate assessment before the works can be approved. As sediments tend to build up naturally in some rivers, it may also be necessary to carry out regular maintenance dredging to keep the river at the required depth.”

2° Moreover, the Guidelines stated that: *“Maintenance dredging works normally only maintain a certain state of infrastructure and, under these circumstances, do not qualify as a project in the sense of Article 6(3) of the Habitats Directive. [...]”*

3° However, the Guidelines repeated the interpretation of the ECJ: *“the maintenance works [designed to maintain the navigable channel at a certain depth by means of regular dredging] can be considered to be one and the same project for the purposes of Article 6(3) of Directive 92/43.”*

4° They also added that: *“Ideally, recurring maintenance dredging should be designed and performed in a way to ensure that they contribute to achieving both navigation and Natura 2000 conservation objectives and might even be included into the management plan of the protected area in question.”*



*“EuDA is back as
Observer in HELCOM.”*

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. In 2012, EuDA started a new cooperation 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.

Because of this experience and its accumulated knowledge, EuDA was approached by the European Aggregates Association (UEPG, “*Union Européenne des Producteurs de Granulats*”) to speak to their Marine Aggregate Working Group and help them improve their approach to calculating emissions from marine aggregate mining. The EnvCom will consider further possible cooperation with this sector if meaningful for the dredgers.

Finally, EuDA has reactivated its observership to HELCOM and will attend the Commission meetings from 2013 onward.

Thank you, Erik!

Following changes of his responsibilities within DEME, Erik Van Wellen had to give up his seat in the Environment Committee.

On behalf of the EuDA Environment Committee, we would like to take this opportunity to thank you, Erik, for your dedication and commitment during these past years to the Committee and the environmental legislative issues impacting on the European dredgers.

We appreciated your enthusiastic contributions and clear points during the meeting and we particularly appreciated your presentation at the EuDA 2011 AGM conference on “Threats and Opportunities from the Sea”.

However, the Committee must go on and we would like to welcome your successor, Paul Vercruysse from DEME, to whom we wish already all the best.

Thank you, Erik
Farewell!

On behalf of the Environment Committee



Thank you, Anneke!

Two years ago, Anneke Hibma replaced Eugen Jansen, the chairman of the Environment Committee of EuDA. Motivated and involved, Anneke achieved the difficult task of steering the ever busy and active EuDA Environment Committee as well as keeping good contacts and relationships with the European Commission, the Member States and the key sister associations involved in dredging.

Following a unique opportunity to go down under, Anneke decided to move there and work under the very challenging Australian environmental legislation in concreto.

On behalf of the EuDA Board of Directors, we would like to take this opportunity to thank you, Anneke, for your time and efforts heading the EuDA Environment Committee.

However, the fight will continue with your successor Pieter van der Klis who we welcome onboard and to whom we wish all the best.

Thank you, Anneke
Good luck to you and success in your new endeavour!



**Marc STORDIAU,
Chairman**

Coastal defence

That's
what we
build.

In the context of Climate Change, the extensive knowledge and skills of the dredging people on raising coastal defences against sea level rise and coastal erosion have become more and more critical and helped European companies to remain on top.

ad cess





W. Dirks (TGEF Chairman, Van Oord)

2012 Members EuDA CO₂ Working Group from left to the right:

P. J. van der Giessen (Boskalis), F. van Dongen (Vereniging van Waterbouwers), P. Tison (JDN), E. Van Wellen (DEME), E. Mink (Interrel), R. Kolman and P. Sansoglou (EuDA)

“For dredging, CO₂ emissions should be optimised at project level.”

CO₂ Emissions

The EuDA CO₂ Working Group is now well-established as the central knowledge point of the European Dredgers dedicated to CO₂ related issues.

The CO₂ Working Group consists of representatives from JDN, DEME, Van Oord and Boskalis as well as representatives from EuDA, IADC, VvW. Since its inception in 2008, the group has provided valuable advice to the EuDA Board and worked towards establishing a common CO₂ Strategy for the European Dredgers, preparing common positions as well as implementing concerted actions revolving around GHG reduction policies and better energy efficiency.

The main objective of the CO₂ Strategy has been to build knowledge and better understanding over the CO₂ emissions from the EuDA dredging fleet. From the start, the group established a procedure and

methodology for the collection of raw data for the calculation of CO₂ emissions.

In 2012, the main efforts of the CO₂ WG were dedicated to improve CO₂ emissions calculations and methodologies, and to communicate with the European Commission (including consultations).

1. Harmonisation of CO₂ Conversion Factors used within EuDA

One of the key elements for the calculation of CO₂ emissions is the set of conversion factors used to convert fuel consumption into CO₂. At the initiative of the CO₂ WG, EuDA adopted a common set of CO₂ conversion factors use and apply uniformly within EuDA and by its members. The chosen CO₂ conversion factors are the ones officially published by IMO under MEPC 61/5/3 Annex 2 p. 2.

Table 1: The value of CO₂ conversion factor C_F

Type of fuel	Reference	Carbon content	(t-CO ₂ /t-Fuel)
1. Diesel/Gas Oil	ISO 8217 Grades DMX through DMC	0.875	3.206000
2. Light Fuel Oil (LFO)	ISO 8217 Grades RMA through RMD	0.860	3.151040
3. Heavy Fuel Oil (HFO)	ISO 8217 Grades RME through RMK	0.850	3.114400
4. Liquefied Petroleum Gas (LPG)	Propane	0.819	3.000000
	Butane	0.827	3.030000
5. Liquefied Natural Gas (LNG)		0.750	2.750000

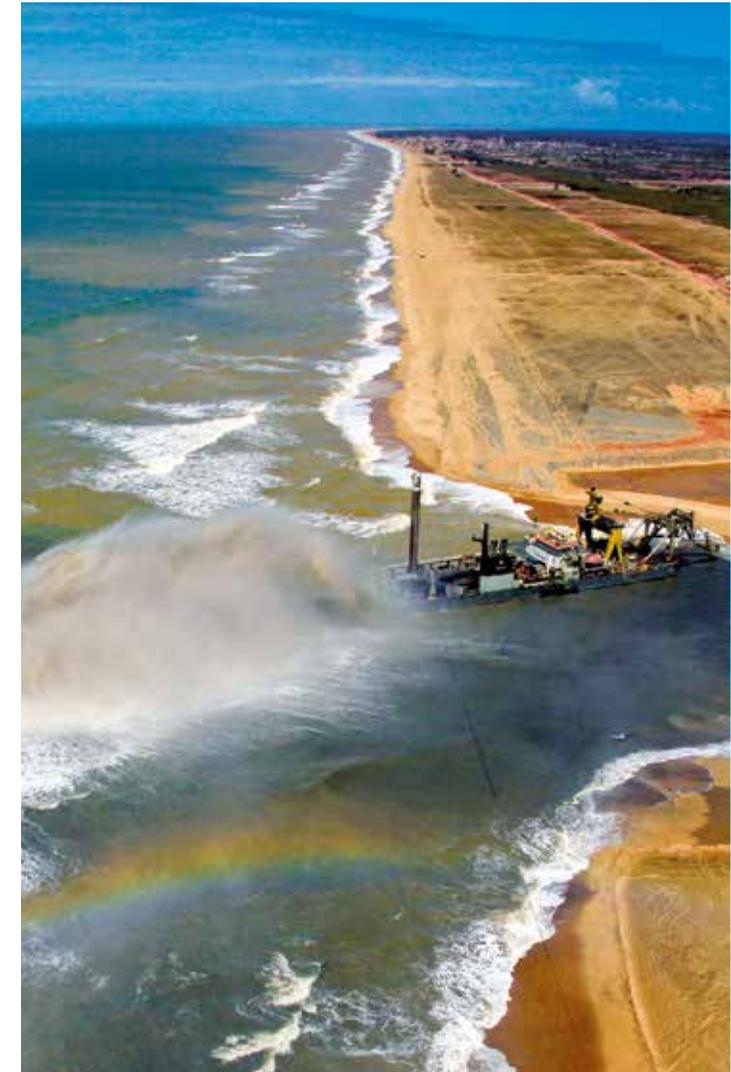
Source: IMO MEPC 61/5/3 (Annex 2 p. 2).

C_F is a non-dimensional conversion factor between fuel consumption measured in g and CO₂ emission also measured in g based on carbon content. C_F corresponds to the fuel used when determining SFC (Specific Fuel Consumption usually making a distinction between main and auxiliary engines) listed in the applicable EIAPP Certificate (Engine International Air Pollution Prevention).

Why is 1 ton of marine fuel emitting roughly 3 times as much of CO₂?

The explanation is linked to the science behind the combustion of marine fuels:

- a generic formula for a marine diesel molecule is: $C_{13}H_{28}$
- the generic equation for the combustion of this fuel is: $C_{13}H_{28} + 20 O_2 \rightarrow 13 CO_2 + 14 H_2O$
- putting atomic masses in this equation, we obtain: $184 + 20 \times 32 = 13 \times 44 + 14 \times 18$
- which then can be used for the conversion factor: $CO_2/MDO: C_F = 13 \times 44 / 184 = 3.1$



2. EuDA CO₂ emission figures 2011

Pursuing its CO₂ Strategy implemented since 2009, the CO₂ Working Group has collected the data and compiled the CO₂ emissions of the European dredging fleet in 2011.

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. In 2009, 2010 and 2011, the European dredgers' CO₂ emissions were estimated at 3.2 Mton.

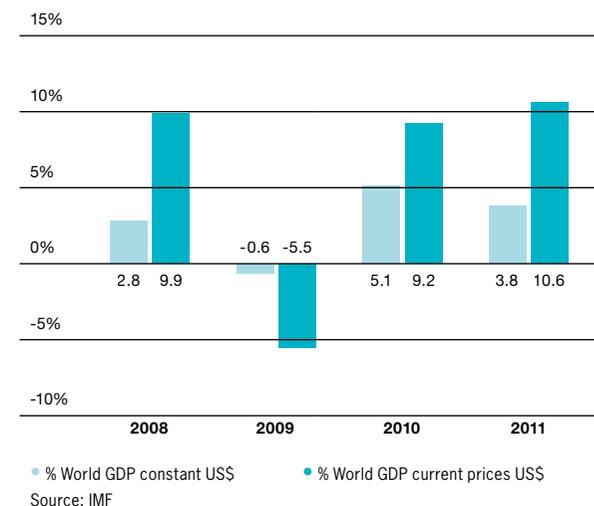
The figures in Table 2 below show that the worldwide CO₂ emissions of the European Dredgers decreased significantly from 2008 to 2009 and seemed to have stabilised around 3.2 Mt in 2010 and 2011. The reduction in the CO₂ emissions can be partly attributed to the effects of the economic crisis, reducing the level of occupancy. With the suspension of the mega projects in Dubai and the repatriation of vessels for the construction of Maasvlakte 2 in the Netherlands, there has been a relative increase of activity (and CO₂ emissions) in Europe.



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

Source: EuDA

Graph 1: Evolution of World GDP (2008-2011) %.



3. CO₂ Task Group on Emission Figures

The EuDA CO₂ Strategy involved lobbying the IMO and utilising both the networks of EuDA and its international sister association, IADC. EuDA and IADC made a joint Statement to IMO in 2010, warning that the Energy Efficiency Design Index (EEDI) could not be implemented to the dredging vessels. Moreover, the associations proposed an alternative approach to reaching the same goal. These commitments became the objectives of the Task Group on Emission Figures (TGEF), established in the summer 2010.

It is important to realise that although proactive, the EuDA action is timely and anticipates the growing trend among European public administrations to include CO₂ emissions (performance) in the requirements of the future tenders for dredging projects. This could potentially represent a threat to the

industry, particularly when dredging processes are misunderstood or wrongly taken into account, leading to situations where the calculation methods are neither fair nor transparent.

The TGEF has completed its work with regards to the compilation of the set of fact based emission figures for the EuDA dredging fleet. The data used was publicly available (CIRIA database) but not always up-to-date. The group is still finalising a transparent calculation method for CO₂ emissions from Dredgers and on how to present it in a meaningful external

communication. This communication should provide a transparent, consistent and fair methodology to estimate CO₂ emissions by dredging vessels.

The work and first findings were presented on 7 November 2012 to all EuDA members in an internal experts' workshop on "Methodologies and Tools for Dredgers' CO₂ Emissions". The workshop was designed to be interactive and aimed at informing as well as filling some gaps and updating the collected information. The participants confirmed that this approach was appropriate and was well appreciated.

*"On behalf of EuDA,
we thank the TGEF members
for their excellent work!"*



2012 Members temporary Task Group on Emission Figures from left to the right

above

W. Dirks (TGEF Chairman van Oord), G. Vanneste (DEME), E. Van Wellen (DEME), P. Verduyck (DEME), E. Reinders (Boskalis),

below

D. Westelinck (JDN), K. Allaert (JDN), F. Kints (van Oord) and R. van de Ketterij (IHC Merwede/MTI).

From the discussions between the members' experts and their feedback, the workshop participants confirmed the technical soundness of the calculations and that the work done so far would provide the means to properly calculate the possible CO₂ emissions to be expected in typical dredging cycles for the main categories of dredging vessels. The proposed approach leaves the freedom to each dredging company to optimise their projects in their own way and to set their own CO₂ emissions targets. The workshop participants agreed that no individual data (ship or company) should be identifiable in any external communication. Moreover, it was highlighted that the new equipment improves its fuel efficiency by an average 2% per year (of built).

Finally, the workshop confirmed the validity of the EuDA-IADC statement to IMO:

- a. dredging vessels are different from cargo ships as emissions from a dredging project are only partly the result of transport distance (other important consumption factors include soil conditions, depth, space for manoeuvring);
- b. when optimising CO₂ emissions in the dredging sector, the project in its entirety should be considered rather than the ships on individual basis;

- c. therefore the IMO Energy Efficiency Design Index (EEDI) cannot be applied (as is) to dredgers.

4. DG CLIMA Consultations

In the frame of the European Climate Change Programme (ECCP), DG CLIMA organised a series of stakeholders hearing in 2011, on the basis of which it prepared a public consultation in 2012. In this consultation gathering the views of the stakeholders and the broader public on the most likely Market Based Measures to reduce CO₂ emissions from shipping, EuDA stated that an international solution (through IMO) is the only option when dealing with shipping emissions and that the option of the international levy fund was by far the most practical and easy to implement. These messages were also reiterated in the submissions by the shipowners' associations (International Chamber of Shipping, ICS, and European Community Shipowners' Associations, ECSA). DG CLIMA generally agrees that concerning reduction of CO₂ emissions from shipping, international regulation (through IMO) is the preferred solution by the Commission to avoid (regional) competition distortions. However, DG CLIMA is moving ahead with its legislative preparations, despite (or because of) the lack of progress in IMO. Dredging is not on top of the list of priorities to be tackled by such a leg-

islative proposal and is likely to be excluded from its scope in the first wave. However, EuDA will continue to monitor and follow up these files.

The Commission organised a consultation on Climate Change Adaptation. EuDA contributed to the public consultation highlighting the important role of the dredgers in the "adaptation" phase of climate change and the need for adapting the defences of the most vulnerable coastal communities.

Moreover, EuDA stated in its closing remarks:

- 1° the main weakness of a Climate Change Adaptation Strategy (at European, National or local level) is the lack of certainty and/or knowledge;
- 2° a good Adaptation Strategy at European level should propose/promote adaptive approaches and methodologies, such as "Building with Nature" or "Working with Nature", which could sustainably increase the climate resilience of the local communities by reducing their climate vulnerability;
- 3° the European Commission should develop a central knowledge base proposing to national and local authorities specific decision-support toolkits (by sector, sea basin, river basin, ...), matching identified concrete climate change im-

pacts (sea level rise, change in salinity conditions at estuaries, change in wave or tidal patterns, change in wind patterns, ...) and associated risks (increased frequency of floods or storms, increased erosion patterns, reduction of navigation safety, ...) with real cases of adaptation solutions implemented in the EU or outside (e.g. Impact 1 - Risk A - Measure a - Region I);

4° as climate change knows no borders, nations need to join forces to tackle its cross-border impacts;

5° in the context of Integrated Coastal Zone Management (ICZM) and Maritime Spatial Planning (MSP), a European Strategy for Climate Change Adaptation could include stress tests (with particular focus on cross-border aspects) designed to assess potential climate change risks in coastal areas and to evaluate the compatibility and mutual efficiency of the combined proposed measures in the neighbouring nations or regions;

6° the Commission's pledge to support adaptation measures for least developed countries and small island developing States is fully supported by EuDA.

DG CLIMA also organised an expert workshop on Transport Standards for Climate Change Adaptation on 18 June 2012, aiming at identifying among the existing standards in transport sectors (all modes) those which might need to be adapted in line with Climate Change and achieve "resilient transport infrastructures". EuDA confirmed that as far as climate change was concerned, goal-based (performance) standards were preferable to prescriptive (product or service) standards. The advantage of performance standards is that they allow innovative approaches (under the condition to at least equal or better the targeted standard performance). Moreover, EuDA confirmed that the adaptive management (with adaptive monitoring and decision-making) was the most preferable approach in the case of climate change with such uncertainty and knowledge gaps.

DG MOVE and DG CLIMA jointly organised a consultation on Monitoring, Reporting & Verification (MRV) of CO₂ emissions from Shipping on 5 December 2012. EuDA participated along with the many shipowners' representatives. At the meeting, the following was determined:

1° WHAT *should be monitored*: **fuel consumption** should be the indicator to monitor;

2° WHO *should report*: the **ship** should be the reporting entity (regardless of which company is the ship/cargo owner, the ship operator or the ship charterer);

3° HOW *should it be implemented*: in general the best approach is to keep it simple, so use as much as possible **existing information and data** (IMO requirements and systems) and only **on a yearly basis**;

Once the Monitoring, Reporting and Verification (MRV) procedure has been established, the collected information would be the basis for the implementation of a Market Based Measure (MBM), at global level (or "regional" if no IMO has been decided by then).

**Measures to reduce CO₂ emissions from Shipping
Review of current legislation and policies**

In the global transport logistical chains, maritime transport plays a critical role: around 90% of Europe's international trade and 40% of the intra-EU trade is done through maritime transport. Maritime transport is a catalyst of economic development and prosperity, ensuring security of supply of energy, food and commodities.

One of the reasons for such a success is that Maritime shipping is the most environmentally-friendly and energy efficient mode of mass transport (on a tonne-mile basis). Indeed, while moving a considerable part of world trade, shipping is only a modest contributor to the total global CO₂ emissions (currently around 3.3%).

In view of the pressures to reduce global greenhouse gas emissions, in particular CO₂ emissions, the shipping sector has been preparing to make its contribution. Reducing CO₂ emissions from shipping can be

achieved through technical solutions (e.g. improving fuel efficiency through more energy efficient ship designs, better performing engines, etc.), operational solutions (improving the best practices and optimising the fuel consumption en route) and/or through market incentives.

During the EuDA 2012 AGM Conference, the speakers gave an overview of the current international and European legislation on reduction of CO₂ emissions from shipping, highlighting the technical and operational measures already put in place by IMO. Global industries, such as shipping, need global legislation to guarantee fair competition. Among the international legislative (UN) bodies, IMO is the best suited forum to legislate on CO₂ emissions from shipping. However, EU policies have a key role to play in reducing CO₂ emissions. The concrete example of the airline industry was presented as well as the lessons learned (note that Emissions Trading Scheme (ETS) for the airline industry were suspended during the week of the Conference). The conference concluded on the key aspects to take into account when considering dredging vessels and on the views of the European Dredgers on Market Based Measures.

Speakers

The panel of speakers included:

Mr Paris Sansoglou | *EuDA
Conference Moderator*

Mr Alistair Hull | *International Chamber of
Shipping, Technical Manager*
International Legislation on reduction of CO₂
Emissions from Shipping

Mr Niels Ladefoged | *European Commission,
Cabinet Member of Connie Hedegaard,*
European Policy on CO₂ Emissions and the Case of
Emissions Trading Scheme in the Airline Industry

Mr Wouter Dirks | *Van Oord, Chairman of EuDA
CO₂ WG*
Specific Situation of the Dredgers and Position on
Market Based Measures

Conferences key messages:

- Global industries, such as shipping, need global legislation to guarantee fair competition;
- EU policies have a key role to play in reducing CO₂ emissions and the European Commission's ambitious goals will be carried out by the Directorate General Climate Action (DG CLIMA) created in 2010;
- The legislation to achieve the GHG emissions reduction targets in the Kyoto Protocol (limiting the increase of global temperature to max 2°C) should be implemented under the International Maritime Organization (IMO) for shipping and not under the general framework of the United Nations Framework Convention on Climate Change (UNFCCC);
- There are radically opposed principles in the legislative approaches of the two UN Bodies: "common but differentiated responsibilities" in UNFCCC vs "no more favourable treatment" in IMO;
- Even within IMO a uniform approach for all ships proved to be impossible: fuel consumption, which

is the main source of the CO₂ emissions, does not follow the same patterns across maritime trades and sectors;

- The main ship types, representing around 75% of the world tonnage, have been subjected to a technical measure in the form of the Energy Efficiency Design Index (EEDI) and an operational measure in the form of the Ship Energy Efficiency Management Plan (SEEMP);
- Dredging is certainly one very particular sector to which the EEDI as such cannot be applied;
- From the aviation example, Monitoring, Reporting and Verification (MRV) are the fundamentals for a coherent and effective policy for CO₂ emissions reduction;
- Market Based Measures are measures complementing the technical and operational measures by incentivising the companies to reduce as much as possible their GHG emissions;
- The Emissions Trading Scheme (ETS) aims at putting a price on pollution to integrate ecological impacts in the decision making of the markets;

- Some form of "compensation" of CO₂ emissions can be achieved by restoring habitats which are natural 'carbon sinks' and capture large quantities of CO₂ from the atmosphere; these off-setting schemes can provide new opportunities for the dredgers (concept of "Blue Carbon");
- It was confirmed that among the possible Market Based Measures, the European Dredgers are strongly in favour of the International Levy Fund.

'The International Levy Fund would be the preferred Market Based Measure'.

Participants and guests at the EuDA AGM 2012



Alistair Hull



Wouter Dirks





Niels Ladefoged



Skilled

That's who we train.

enthusiasts

With more than 40% of the dredging personnel holding Bachelors or higher Degrees, the European dredgers can boast well-trained, well-educated and highly skilled professionals whose enthusiasm creates the very working environment that makes the difference against the competition.



lasts



2012 Members EuDA Social Committee from left to the right

above

B. Monteyne (Chairman, DEME), B. T. Franzen (Rohde Nielsen), H. Bleker (Vereniging van Waterbouwers),

middle

P. Piron (Jan De Nul), T. van Schaik (Van Oord), R. Veenstra (Boskalis)

below

F. Kröcher (Josef Möbius Bau-AG), Paris Sansoglou (EuDA)

EU State Aid: Public Consultation by DG Competition

The EuDA Social Committee actively follows the developments regarding State Aid to Maritime Transport in Europe and provides its support to the actions of the EuDA Chairman in charge of this file.

Due to the transfer of State Aid competences for all transport modes from DG MOVE (transport) to DG COMP (competition) in 2010, the process of revising the Maritime Transport State Aid Guidelines was delayed beyond 2011, their initially foreseen revision year. On 14 February 2012, Vice-President Joaquín Almunia, Commissioner in charge of Competition, opened a “*Public Consultation on Review of the Community Guidelines on State Aid to Maritime Transport*”, which closed on 14 May 2012.

Expecting this consultation since mid 2010, EuDA had searched for evidence of the impact of the State Aid Guidelines to Maritime Transport on the European dredging companies. Statistical evidence was not always conclusive to demonstrate a clear impact of the State Aid Guidelines, for instance in the case of the European employment. More qualitative evidence had to be found such as the fact that a European Seafarer (officers and ratings) would cost on average between 2 and 5 times more against an Asian Seafarer (e.g. Philippino). These labour cost gaps reflect mainly the absence of sufficient or any social protection as well as the lower cost of living for the workers from emerging low labour cost countries. Therefore EuDA argued towards the Commission to keep the Maritime Guidelines as they significantly contribute to reducing these unfair labour cost gaps which would be even bigger without them. By achieving this, the State Aid Guidelines have slowed down the process of increasingly hiring non European personnel, initiated by the European companies as a defence mechanism against their competitors to retain their competitiveness on the global markets.



EuDA also estimated the potential impact of the ILO Maritime Labour Convention on Asian social dumping. The **main effects** to be expected from the implementation of the MLC would concern **the vessels and equipment**. Moreover, due to the ‘**grandfather clause**’ and the only recent ratification (August 2012), the possible effects of MLC mainly concern new buildings and will not have too much impact on the current fleet. Finally, **no significant effect** are expected on the actual costs of labour (as the MLC provisions don’t foresee any quantitative obligations in terms of salaries, social security coverage, pensions, ...). Therefore, EuDA concluded that:

“Although welcoming the ILO Maritime Labour Convention 2006 as a step in the right direction, more work needs to be done with regards to key sources of social imbalance and unfair competition, namely the big differences in the costs of labour around the world. The Convention should probably set some quantitative standards or obligations with regards to labour costs”.

All these arguments were included in an ad hoc EuDA position paper (Memo) presented as additional documentation to the online questionnaire of DG COMP to clarify and complete the presented answers. The Memo was widely distributed among the EuDA membership and was used by the interested members as common basis for their answers to the on-line questionnaire.

Additionally to its written contribution, EuDA organised a meeting with the officials in charge of the revision during which EuDA explained in more detail the specific situation of the European Dredgers with regards to the Maritime Guidelines and highlighted the main messages and arguments of the Dredgers.

“Europe is a Maritime Continent”

José Manuel Barroso.

Europe needs the Guidelines

The maritime transport sectors, which include maritime dredging, are typically faced with similar challenges:

- they are faced with fierce global competition; (incl. rising threat from Asia, particularly Chinese State-owned companies);
- they operate self-propelled sea-going vessels;
- they are faced with a significant risk of relocation outside the EU; and
- they represent a significant source of employment for EU seafarers and, by playing a key role in the wider EU maritime cluster, they also contribute indirectly to maintaining its employment (4.78 million in 2008).

Moreover, these maritime sectors need to comply with the same international legislation with regards to labour, technical and safety requirements.

Recognising the strategic importance of maritime transport for the European economy in general and for the European maritime cluster in particular, the *Community Guidelines on State Aid to Maritime Transport* (known as the “**Maritime Guidelines**”) provide an EU-wide framework for Member States to apply positive measures to counteract competition

distortions and imbalances on the global maritime markets and to strive for a better global level playing field.

The main objectives of the Maritime Guidelines are indeed not operational aid but objectives of common European interest, including:

- *“improving a safe, efficient, secure and environment friendly maritime transport,*
- *encouraging the flagging or re-flagging to Member States’ registers,*
- *contributing to the consolidation of the maritime cluster established in the Member States while maintaining an overall competitive fleet on world markets,*
- *maintaining and improving maritime know-how and protecting and promoting employment for European seafarers, and*
- *contributing to the promotion of new services in the field of short sea shipping following the White Paper on Community transport policy.”*

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 pas-

sengers by sea in order to (re)flag EU vessels and employ (more) Europeans.

Rising threat from Asia, and in particular China

Even before the global financial and economic crises exacerbated global competition, many non-EU countries were *providing special protection to their national champions along with additional (but unfair) advantages*, purely based on government support.

This is particularly the case for companies which are active in fiercely competitive global markets, such as maritime dredging. In the field of dredging works in Africa, Asia and South America, China's approach to international trade (including financing practices such as "tied aid") is often distorting competition, closing markets and creating unfair advantages for its own (State-owned) national companies.

Strategic Know How of the Dredgers

In the global transport logistical chains, maritime transport plays a critical role: around 90% of Europe's international trade and 40% of the intra-EU trade is done through maritime transport. Maritime transport is a catalyst of economic development and prosperity, ensuring security of supply of energy,

food and commodities. Not surprisingly, around 80 % of the largest population centres in the world can be found in coastal areas.

Within maritime transport and the broader EU maritime cluster, maritime dredging plays a critical role: dredgers are specialised transport companies (loading, moving and relocating/delivering their own cargo), which facilitate and develop activities linked to maritime trade and offshore energy installations.

Moreover, in the context of Climate Change, the knowledge on mitigation (prevention) of Greenhouse Gases ("GHG") emissions and on adaptation to (protection from) the undesirable consequences of Climate Change has become critical.

While European Dredgers contribute to the efforts to reduce the CO₂ emissions of their fleet by continuously increasing the efficiency of their operations

(investing in R&D and in new equipment and technologies), they also, and more importantly, provide a unique high added value contribution to mitigating the possible consequences of Climate Change. Over the years, European Dredgers have built and keep developing strategic **knowledge and know-how on Climate Change Adaptation**. European Dredgers keep investing in Research & Development, Innovation, new technologies and equipment to remain at the forefront.

Access to this knowledge, technologies and equipment is of vital importance for all coastal nations, including the coastal EU Member States.

To the present day, the EU has and should make sure to keep the competitive advantage that the world leaders, with a strong knowledge base on coastal defence, protection against floods, coastal erosion, are still located inside the EU.



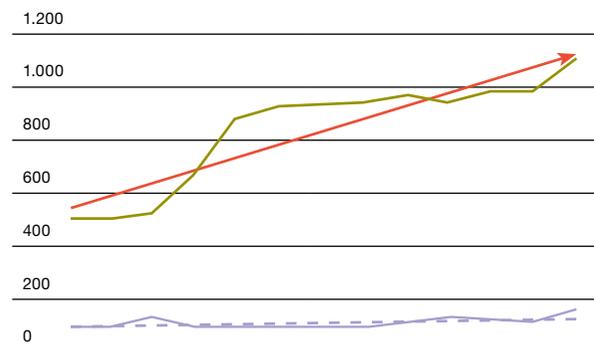
In its Memo, EuDA emphasised that the main objectives of the Maritime Guidelines are *not operational aid* but essentially **objectives of common European interest**, including maritime transport safety, re-flagging to EU registers, European employment, ... EuDA stressed the strategic importance of maritime know how in general and in particular for Europe where the advanced knowledge of the European Dredgers is a valuable asset with regards to global threats such as sea level rise or the increased frequency and intensity of storms. EuDA reminded that the European Dredgers more than ever meet all the criteria (i.e.: fierce global competition, self-propelled sea-going vessels, risk of relocation outside the EU and significant source of employment) justifying their inclusion in the European State Aid scheme.

*“Maritime Dredging”
is the maritime transportation
of natural (extracted) materials
by self-propelled sea-going
dredging vessels.”*

Although the impact of the Maritime Guidelines was not always easily quantifiable with regards to the EU employment, EuDA quantified their impact on the dredging fleet:

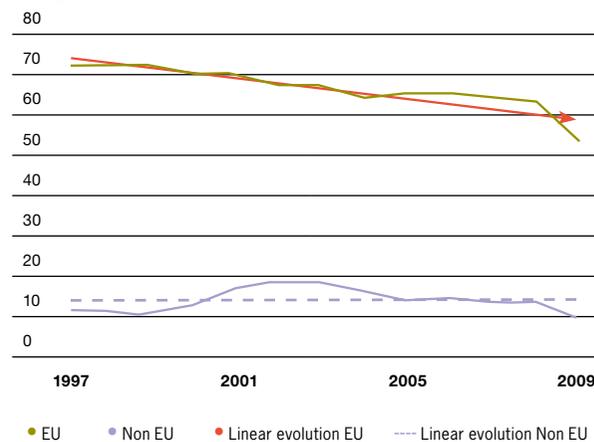
- Significant increase of the EU-flagged TSHDs

Flag evolution of TSHD



- Significant decrease of the EU-flagged CSDs (excluded from the 2004 Guidelines)

Flag evolution of CSD



The relevance of the decisions made in the so called ‘Danish Case’ was emphasised:

- **eligibility by analogy** for a State aid scheme to maritime transport;
- the **50% rule** was **omitted** or not explicitly referred to (as it is not applicable);
- the **“unloading” phase** of the dredging cycle was recognised as eligible.

EuDA brought forward the concept of the **“maritime dredging”** and defined it for the purpose of the Maritime Guidelines as the *maritime transportation of natural (extracted) materials by self-propelled sea-going dredging vessels*. With this definition, the “50% rule” or the need to prove that 50% of operating time has been spent in all the phases of the dredging cycle except one (extraction phase) would become de facto obsolete and lift a lot of unnecessary administrative burden from the European dredging companies. The maritime character of the dredging activities imposes legal, technical, crewing and training obligations (e.g. IMO registration). In this way, the concept of maritime dredging can be clearly differentiated from inland waterways dredging. EuDA referred to the existing European Commission Regulation (n° 13/2004) on **“waterways of a maritime character”** to define the borders between the two types of activities.

Finally, EuDA concluded with the following three recommendations for the revision of the “Community Guidelines on State Aid to Maritime Transport”:

1. Application in time: extension of the Maritime Guidelines

The prolonged economic and financial crises, the fierce global competition, the unfair practices by Asian economic actors and the lack of level playing field justify that the Community Guidelines on State Aid to Maritime Transport should be extended in time.

2. Material scope of application: need for clarification of the concept of “maritime dredging” as the entire maritime dredging cycle

The approach of the European Commission in the Danish case justifies a clarification of the definition of “maritime dredging” to include the entire maritime dredging cycle and making that the 50 % rule should no longer be required for dredgers.

3. Personal scope of application: need to integrate the clarifications from Commission’s decisions

Given that the circumstances in which they operate are “analogous” to the ones of vessels eligible under the current Maritime Guidelines, the self-propelled Cutter Suction Dredgers should be eligible for State aid, as they previously were from 1997 to 2004.



With regards to the on-line questionnaire, EuDA regretted the unfortunate association of the tugboats and dredgers in its section B.6. indeed, the two sectors are completely different from each other in terms of cargoes, markets and global competition.

Implementation of the Maritime Labour Convention at European level

The ILO Maritime Labour Convention has been ratified in August 2012 as **30 ILO Member States** representing **60% of the world fleet** have completed their national ratification procedures. The Convention will enter into force in August 2013.

Note: the Convention ratification conditions were the ratification by at least 30 Member States with a total share in the world gross tonnage of ships of 33%.

As the ILO Maritime Labour Convention (MLC 2006) was translated at European level into a European Directive (2009/13/EC), this also meant that the Directive would enter into force simultaneously with the Maritime Labour Convention, even if the transposition of the Directive into national legislation can take longer (18 months). This means that all vessels regardless of their flag (and the status of MLC rati-

fication in their Flag State) will have to comply with the convention and all its requirements (including certification) by **August 2013** and *“no more favourable treatment” would be given to ships flying a flag from a Flag State that hasn’t ratified yet.*

As the Members of EuDA are operating in many Member States and under more than one Flag, EuDA, concerned about possible competition distortions on the social field, worked to avoid major ‘flag disadvantage’ and pursued its efforts on the implementation at national level in the different EU Members States / Flag States of relevance. In 2012, EuDA focused on the developments in Belgium, Netherlands, Germany and UK.



1. Belgium

For historical reasons, the Belgian dredgers are under the construction’s collective agreement and not under the seafarers’. This meant that discussions on the implementation of the MLC have to be held between the Belgian authorities and two economical ‘activities’ (seafaring and construction). This already complex situation was further complicated by the fact that two Federal Public Services were involved (employment and transport and mobility).

The initial discussions between the government departments lead to a stricter interpretation by the Belgian administration of some MLC provisions, conflicting with the current practices of the Belgian dredgers, namely: the requirement to have only one single employer on board for all working staff. This requirement would have undoubtedly lead to legal disputes when hiring temporary crew, particularly in the case of jointly owned equipment (e.g. Pompei). Moreover the requirement of giving the same salary for the same function conflicts with the real costs of living of the country where the staff member is living in.

To help solve the situation, EuDA joined a Belgian delegation in a meeting with the Belgian Minister of Employment, Mrs Monica De Coninck on 29 August

2012. The dredgers’ delegation discovered that the situation had been resolved and the more practical solution presented by the dredgers had been adopted during the summer: namely that a unique MLC Compliance Officer per ship would be appointed and charged of making sure that vessel and all personnel on-board are fully compliant with MLC requirements (certificates, accommodation, contracts, social security, ...).

2. Netherlands

The ratification process in the Netherlands took about 5 years under the lead of the Ministry for Social Affairs and was completed on 13 December 2011. Many problems were identified when interpreting MLC and implementing it into Dutch law. However, the Dutch dredgers managed to get a common understanding with their administration on the MLC compliance of specific dredging practices and obtain specific exemptions and/or clarifications where necessary.

As the Dutch ratification was finally completed, the National Associations for the dredgers (VvW, Vereniging van Waterbouwers) and for the Shipowners (KVNVR, Koninklijke Vereniging van Nederlandse Reders) joined efforts and initiated in 2012 an information campaign on the procedure to comply with MLC requirements for the Dutch flagged shipowners. The

Netherlands have already concluded a test-inspection and have started in mid October 2012 the certification of the Dutch flagged ships.

3. Germany

The situation in Germany was comparable to the other Member States as far as the tripartite negotiations are concerned: the shipowners were representing the employers and the dredging companies had difficulties to get involved in the process. The German government released the draft of *Seearbeitsgesetz* Mid 2012. Once adopted in the Bundestag, the *Seearbeitsgesetz* will replace the old sailor's code (*Seemannsgesetz*) and complete the ratification process. This should happen before August 2013.

4. UK

In the UK also, the discussions with the relevant administration were lead by the national Shipowners' Association: the British Chamber of Shipping. The process of ratification is advanced but not completed yet. As the MLC had been ratified by in August 2012, the UK government informed operators that they would have to be compliant by August 2013. The national regulator, the Maritime & Coastguard Agency, have issued a note to operators stating that they will need to ensure compliance with the requirements until such time as

an external audit process is established. One of the issues discussed in the UK has been how annual leave requirements are incorporated, given that the dredger crews typically work a rotation of 2-3 weeks on/off.

Communication with DG MOVE

In the DG MOVE (Transport) White Paper, "*Roadmap to a Single European Transport Area - Towards a competitive and resource efficient transport system*", EuDA closely monitored 2 initiatives of relevance for the social aspects in the maritime transport sectors, namely: *A Social Agenda for maritime transport* and *An evaluation of the EU approach to jobs & working conditions across transport modes*.

In an effort to broaden the scope of its discussions and improve both its understanding and impact on the European Commission's Maritime Safety and Social Policies, EuDA invited two guest speakers from the DG MOVE D2 Maritime Safety unit: **Ms Anne Devouche** and **Mr Jesus Bonet Company**. With the former, they reviewed the social issues with maritime transport, particularly the Directive 2009/13/EC implementing the MLC. With the latter, they discussed the respective roles of DG MOVE (Transport) and EMSA (European Maritime Safety Agency) in the control of the Classification Societies.





Thank you, Ton!

Following changes of his responsibilities within Van Oord, Ton van Schaik had to give up his seat in the Social Committee.



T. van Schaik

On behalf of the EuDA Social Committee, we would like to take this opportunity to thank you, Ton, for your commitment and active participation during these past years to the EuDA Social Committee and help solve the social legislative issues impacting on the European dredgers.

We appreciated your enthusiastic contributions and clear points.

However, the Committee must go on and we would like to welcome your successor, Ms Angelique Heijnen from Van Oord, to whom we wish already all the best.

Thank you, Ton
Farewell!

On behalf of the Environment Committee

Thank you, Frank!

Following changes of his responsibilities within Möbius, Frank Kröcher had to give up his seat in the Social Committee.



F. Kröcher

On behalf of the EuDA Social Committee, we would like to take this opportunity to thank you, Frank, for your dedication and commitment during these past years to the EuDA Social Committee and the social legislative issues impacting on the European dredgers.

We appreciated particularly your valuable input on the German social legislations, your enthusiastic contributions and clear points.

Thank you, Frank
Farewell!

On behalf of the Social Committee

Open

That's what we want.

markets

European dredgers are world leaders in all open 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.

ts



“India repealed its decision to tax European Dredgers.”

At the end of June 2011, a few concerned members brought to EuDA’s attention a new development in India requesting its intervention: in March 2011, India had increased its import customs duties on dredgers and their spare parts. India also ruled that a certain percentage of the crew of international dredging companies providing services in India must be composed of Indian citizens.

A Task Group on Indian Market Access (TGIMA) was established by EuDA as a temporary task group with a clear focus and limited duration. The task group is advising the EuDA Board on the specific matters of concern it was created for (India’s decision) and on the course to follow, implementing the agreed strategy.



2012 Members of the temporary Task Group on Indian Market Access from left to the right: P. Potvliege (TGIMA Chairman, DEME), N. de Bruijn (van Oord), J. Wiersma (Boskalis), G. Cockx (JDN) and P. Sansoglou (EuDA).

The main objective of the Task Group on Indian Market Access was to prepare and implement a **lobbying strategy** targeting India with the help of the administrations of the European Commission, Belgium, the Netherlands and Luxembourg, as well as the help of any other relevant institution or organisation. The main objective of this strategy was to cancel the Indian Decision to raise import duties (as well as to impose unfair requirements on personnel on board) targeted at foreign contractors’ vessels (including Europeans), equipment and staff, significantly distorting the competition in the area in favour of the local contractors.

Facts

In 2011, besides actively supporting its national dredging companies with positive measures, India also started discouraging the activities of foreign

dredging companies on its territory by means of the following measures:

- 1° in March 2011, India increased its import customs duties from 0% to 9.577% on dredgers (HS8905.1000), and from 12.83% to 23.845% on related spare parts (HS8487.9000) - *Finance Bill 2011; S. No 113 of notification N.01/2011 - Central Excise dated 01 March 2011;*
- 2° additionally, India also ruled that a certain percentage of the crew of international dredging companies providing services in India must be composed of **Indian citizens** - *Ref. D.O.F. No. B-1 March 2011 - TRU dated March 2011.*

According to EuDA’s interpretation and the European Commission’s, India’s decision was within its rights and engagements under its agreement with

the World Trade Organization (WTO): therefore **Indian measures were legally unchallengeable at WTO level.**

Despite being legal, these measures were clearly at odds with fair competition and free market access that the European Union, one of the biggest trading partners of India, is promoting in general and more particularly with its Free Trade Agreements.

The new tariffs and the crew-related obligation adversely impacted European dredging companies' competitive position in the Indian dredging market and meant in practice that these companies were likely to be progressively excluded from the Indian dredging market.

Moreover, these measures had counterproductive effects on the development of the Indian ports and might restrict the development of the Indian economy, both outbound and inbound. Indeed, India lacked the technical capability to perform larger and more complex projects. Among these were also included the projects for the oil & gas industry. Due to the strategic importance of this industry, the Indian government decided to grant an exemption to the above mentioned measures for the dredging works

occurring for the offshore oil & gas industry (*Specific Circular 21/2001, 01 March 2001*). This situation confirmed that India was aware of harming its own growth perspectives with these measures and had set a precedent with the exemption for the offshore oil & gas industry.

European Dredgers' Strategy

The European Dredgers determined that the most effective course of action to deal with this issue was through the European Union political, diplomatic and commercial networks. As one of the most important economies in the world, the European Union can use its influence to correct or at least improve

this situation damaging for both sides.

The Strategy of the Dredgers was to act in a coordinated fashion through the European Dredging Association, EuDA, for informing and activating of the Commission and through their respective National organisations for informing and activating of the Local governments.

Once the EuDA Task Group on Indian Market Access was established, it developed and finalised the European Dredgers' Strategy and identified the most relevant political opportunities to achieve its goal. To implement its strategy, EuDA prepared a memo to the attention of the targeted institutions and organisations.



Results and closing of the Task Group

Through its lobbying activities, the Task Group managed to mobilise the governments and diplomatic networks of the Benelux. This allowed to demonstrate strong support from some Member States and to gain the full commitment of the European Commission.

The lobbying strategy towards the Indian government built progressive momentum by communicating through a variety of effective channels:

- 1° the issue with the European dredgers was first mentioned to India by its private ports, clients of the European Dredgers;
- 2° the issue was then indirectly mentioned during the Trade Policy Review of India in WTO (14 & 16 September 2011);
- 3° the diplomatic networks of the Benelux raised awareness about the issue on a bilateral basis (including during the trade mission to India by the President of the Region of Flanders);
- 4° the diplomatic network of the European Commission also approached the Indian authorities about the issue.

The result of this lobbying was to convince various concerned stakeholders as well as key decision makers in the Indian government:

- 1° the Indian Ministry of Shipping was convinced by the argumentation and took action towards the Indian Ministry of Finance;
- 2° the Indian Ministry of Finance was particularly difficult to convince but had to withdraw the Countervailing Duties (they had imposed on foreign dredgers) during the budget revision of revision of India's 12th 5-year plan in February 2012;
- 3° the Indian Ministry of Finance, however, introduced new tax measures imposed on the foreign companies income (charter rates) and aimed at having the same effect as the Countervailing Duties.

The overall effect today is that the situation is better than under the previous regime of the Countervailing Duties.

Concerning the decision to impose a minimum quota of Indian personnel on-board, this practice is implemented in various countries in the area and it will probably not be easy to get it removed.

Therefore, the Task Group on Indian Market Access (TGIMA) achieved its purpose and was closed. Nevertheless, EuDA will keep this matter under scrutiny and reactivate the group if necessary.

*“On behalf of the EuDA Board,
we give our warmest thanks to
the group for this well appreciated
achievement.”*

“EuDA always supports and encourages fair competition and free access to world markets.”





Belgium

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



Cyprus

Boskalis Westminster Dredging & Contracting Ltd.
Van Oord Middle East Ltd



Denmark

Rohde Nielsen A/S



Estonia

Terramare Eesti OU



Finland

Terramare Oy



France

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



Germany

Brewaba Wasserbaugesellschaft Bremen mbH
Detlef Hegemann GmbH (Nassbaggerei)
Josef Möbius Bau GmbH
Nordsee Nassbagger-und Tiefbau GmbH
Vereinigung der Nassbaggerunternehmen E.V.



Ireland

Irish Dredging Company
Van Oord Ireland Ltd



Italy

Boskalis Italia
Dravo SA
Societa Italiana Dragaggi SpA 'SIDRA'



Latvia

Baltic Marine Contractors SIA



Luxembourg

European Dredging Company S.A
Jan De Nul Group (Sodifra SA)



Netherlands

Aannemingsbedrijf L. Paans & Zonen
Baggerbedrijf De Boer B.V. / Dutch Dredging B.V.
Baggermaatschappij Boskalis B.V.
Ballast Nedam Baggeren bv
Boskalis B.V.
Boskalis International B.V.
Boskalis Offshore bv
Dredging and Contracting Rotterdam B.V.
Mijnster zand- en grinthandel bv
Tideway B.V.
Van den Herik B.V.
Van der Kamp B.V.
Van Oord ACZ Marine Contractors bv
Van Oord Nederland bv
Van Oord nv
Van Oord Offshore bv
Vereniging van Waterbouwers
Water Injection Dredging bv



Portugal

Dragapor Dragagens de Portugal S.A.

Dravo SA



Spain

Flota Proyectos Especiales, S.A. (Grupo ACS)

Dravo SA

Sociedade Española de Dragados S.A.



Sweden

Boskalis Sweden AB



UK

British Marine Aggregate Producers Association

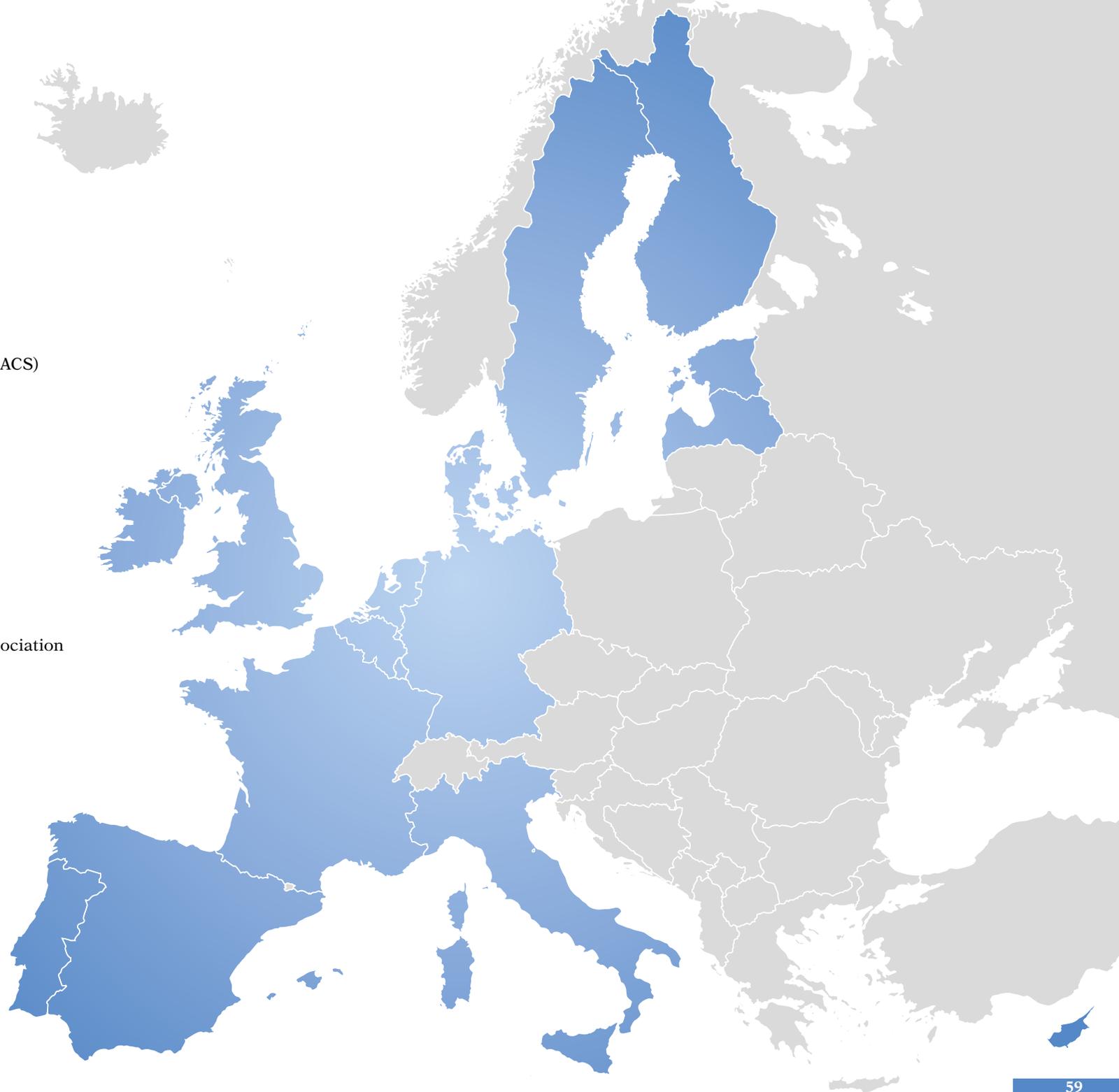
Dredging International (UK) Ltd.

Jan De Nul (U.K.) Ltd.

Rock Fall Company Ltd

Van Oord UK Ltd.

Westminster Dredging Co. Ltd.





2012 Members of the Verification Committee:

Hugo van de Graaf (Dutch Dredging) on the left

Walter Bien (Boskalis) on the right

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





It is with great pleasure that the European Dredging Association is announcing the celebration of its 20th Anniversary on the 7 November 2013 at the Bibliothèque Solvay (Brussels).

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.

Mr Siim Kallas, Commission Vice-President and Commissioner for Transport & Mobility, will open the conference with a keynote address.

Eminent speakers from across the world will present some of the most impressive and innovative projects completed so far by European Dredgers.



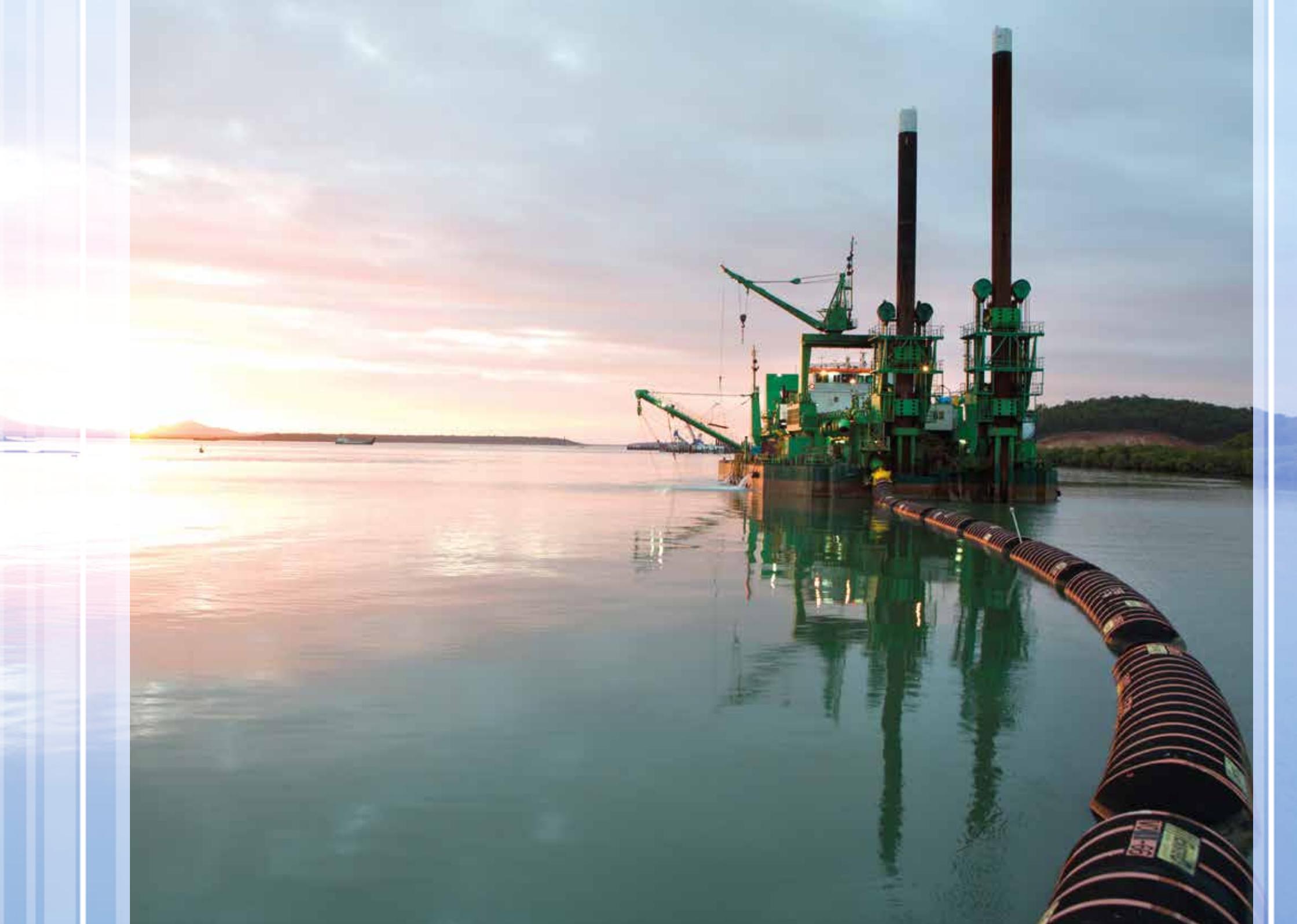
EuDA

Founded in 1993, the European Dredging Association (“EuDA”) is 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 7.7bn Euro in 2011. 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, 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.

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

148, Avenue Grandchamp 1150 Brussels Belgium T. +32 (0)2 646 81 83 F. +32 (0)2 646 60 63 E-mail info@euda.be www.european-dredging.eu