

ICOMIA

EU Quarterly Report

Q3 2024

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Glossary of EU terms

Council of the European Union: One of the two co-legislative bodies of the EU (together with the European Parliament), made of the 27 EU Member State governments (represented by Member State Ministers). It adopts laws by co-decision with the European Parliament.

COREPER: Preparatory body of the Council, made up of Member States' Permanent Representatives to the EU.

EU Directive: EU law which has to be transposed into national law for its implementation.

EU Regulation: EU law which applies directly upon its adoption, without the need for transposition into national law.

European Commission: Executive body of the EU, in charge of proposing laws.

European Parliament: One of the two co-legislative bodies of the EU (together with the Council of the EU), made of elected MEPs (Members of the European Parliament). It adopts laws by co-decision with the Council of the EU.

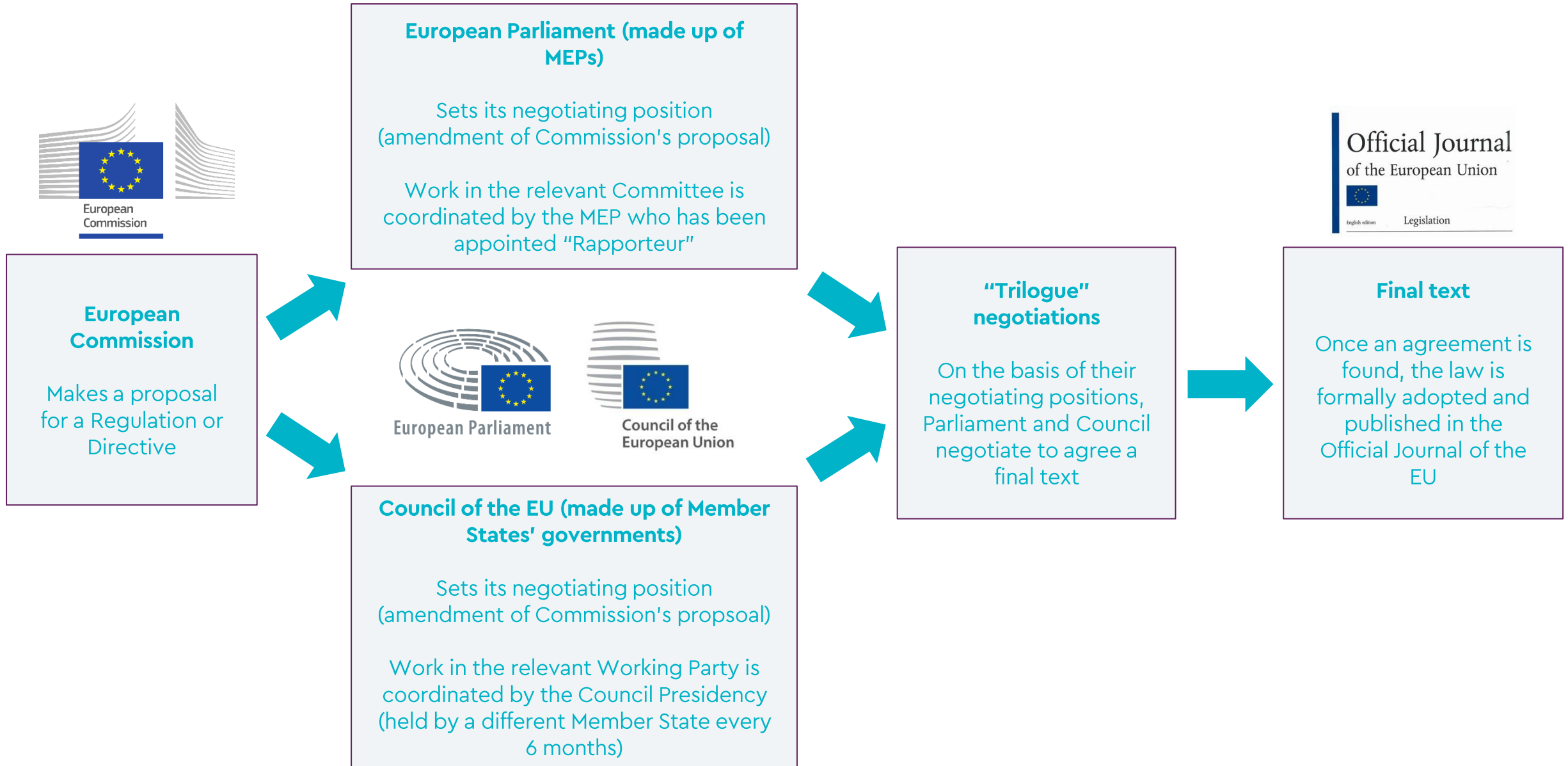
European Parliament Committees: Committees of MEPs, organised by policy area, which deal with specific proposals before they are adopted by the European Parliament plenary, e.g. ENVI Committee (Environment, Public Health and Food Safety), TRAN Committee (Transport and Tourism), IMCO Committee (Internal Market and Consumer Protection), ITRE Committee (Industry, Research and Energy).

Rapporteur: MEP in charge of coordinating the work for a specific proposal within a European Parliament Committee.

Trilogue: Negotiation between the European Parliament and the Council, also attended by the Commission, which aims at reaching an agreement on the final text of a proposal.

Working Parties: Preparatory bodies of the Council (below COREPER level) made up of Member State officials dealing with a specific policy area. There are over 100 Working Parties.

Reminder on EU policy-making process



1. Industrial Emissions Directive

Background (I):

- Industrial Emissions Directive ([2010/75/EU](#)) lays down rules to prevent and control industrial emissions into air, water and land, by requiring industrial installations from various sectors to apply the Best Available Techniques (BAT) and to be in possession of a permit in order to operate.
- In April 2022, the Commission released a [proposal](#) to revise the Directive. After going through the co-decision procedure, the European Parliament and the Council agreed on a final [text](#) for the revision on 28 November 2023. The following aspects were agreed:
 - Setting the strictest achievable emission levels.
 - Prioritising industrial plans focusing on energy, water, material efficiency and reuse.
 - Making environmental performance targets obligatory for water consumption.
 - Extending the scope of the Directive to cover mines, large installations manufacturing batteries, and some types of intensive livestock farms.
 - Easing the permitting process for industrial installations that apply for permits, by obliging Member States to establish an electronic permit (e-permit) system by 2035.
- The Parliament adopted the final law on 12 March 2024 with 393 votes in favour, 173 against and 49 abstentions. Only plenary amendment 313 which suggested minor linguistic changes to the agreement was adopted.
- The Council adopted the law's revision on 12 April 2024 unanimously without debate.

1. Industrial Emissions Directive

Latest developments:

- The [revised](#) Directive entered into force on 4 August 2024 and therefore applies from the same day.
- EU Member States will have until 1 July 2026 to incorporate the requirements of the Directive into their national laws. If they fail to do so by the deadline, they may face legal action from the European Commission.

Next steps:

- The Commission's next report on implementing the Industrial Emissions Directive (IED), initially expected in 2024, has been postponed to June 2028 due to the directive's revision. According to the adopted Revision, the Commission will publish subsequent reports every five years, with the 2028 report evaluating the progress since the [2021 report](#) and assessing improvements in Member States' reporting consistency.

2. Surface and Groundwater Pollutants Proposal

Background (I):

- On 26 October 2022, the Commission released a [proposal](#) for a Directive amending the lists of water pollutants. The Directive will amend the Water Framework Directive (2000/60/EC), the Groundwater Directive (2006/118/EC) and the Environmental Quality Standards Directive (2008/105/EC).
- The new Directive will revise the list of pollutants affecting surface water and groundwater, identifying new priority substances (including new priority hazardous substances), and would set corresponding Environmental Quality Standards.
 - Annex X of the Water Framework Directive, which lists 45 substances that must be progressively reduced or phased out from the aquatic environment, would become the revised Annex I of the Environmental Quality Standards Directive, which would deal only with surface water pollutants. Amending the list would be possible through Delegated Acts instead of Ordinary Legislative Procedure (therefore not needing co-decision between Council and Parliament, which is a lengthy process).
 - Annexes I and II of the Groundwater Directive would be revised. Annex I establishes groundwater quality standards for the purpose of assessing chemical status. Annex II sets the threshold values for groundwater pollutants as indicators of pollution. New substances would be added to both Annexes.

2. Surface and Groundwater Pollutants Proposal

Background (II):

- On 24 April 2024, the European Parliament adopted its first-reading [position](#) on the Commission's proposal, including measures such as:
 - Adding PFAS to list of groundwater and surface water pollutants.
 - Requesting Member States to notify other Member States that could be adversely affected by a pollution incident, and they should put in place arrangements for emergency communication and response.
 - Adding details on procedure to notify the Commission in case of water management issues, and shorter deadline for the Commission to respond.
 - Timeline for Member States to reduce pollution, discharges and emissions of priority substances and river basin-specific pollutants.
 - Members of the public must have access to a review procedure before a court of law.
 - Regarding the Water Framework Directive (WFD), the Commission will publish a comprehensive assessment on the possible application of continuous, precise, and real-time pollution monitoring systems of water quality measurements.
 - Regarding the Groundwater Directive (GWD), the threshold values applicable to groundwater will be required to be 10 times lower than the corresponding Environmental Quality Standards (EQS) for surface water. In addition, the protection of groundwater ecosystems, vulnerability or pollution, the extended producer responsibility and the EU monitoring facility will be improved.
 - Regarding the Environmental Quality Standards Directive (EQSD), a new provision prioritising restrictions and other control-at-source measures is included, and a Watch List should be created containing at least five substances or groups of substances that could pose significant risks at the EU level.

2. Surface and Groundwater Pollutants Proposal

Background (III):

- On 19 June 2024, the Council adopted his [negotiating mandate](#) on the file. Main provisions are:
 - Member states (MSs) agreed to maintain the Commission's proposal to set environmental quality standards for 24 PFAS in surface water.
 - The mandate provides for continuous reporting, new monitoring techniques, including remote sensing, and the possibility of setting up an EU-wide monitoring to ensure progress in ecological and chemical indicators compliance with quality standards set out in EU legislation.
 - MSs have also clarified the concept of deterioration of the status of a water body: the effects of short-term activities without lasting consequences or the displacement of pre-existing pollution within or between water bodies will not be considered as a deterioration unless they cause an overall increase in pollution.
 - For substances in groundwater identified as substances of concern at national level, the scope is narrowed and sets EU-wide values only for synthetic substances. In addition, MSs will have until 2039 to achieve good groundwater chemical status.
 - The mandate aligns the PFAS limits for groundwater with the Drinking Water Directive, which sets quality standards for 20 PFAS. The mandate also includes quality standards focusing on the four most problematic PFAS.
 - A mandatory 'watch list' for groundwater is introduced. Microplastics and antimicrobial resistance genes will only be included in the watch list once harmonised monitoring and evaluation standards are in place.
 - The list of relevant pollutants for surface and groundwater should be revised through legislative acts in accordance with the ordinary legislative procedure, instead of Commission delegated acts.
 - The negotiating mandate allows MSs to transpose the directive within two years, instead of 18 months as originally proposed by the Commission.

2. Surface and Groundwater Pollutants Proposal

Latest developments:

- Rapporteur and Shadow Rapporteurs for this file are being replaced soon due to the results of the European elections.
 - MEP Javi Lopez (S&D, Spain) was designated as the ENVI Committee's Rapporteur. He is expected to lead the European Parliament's negotiating team for trilogues with the Council.

Next steps:

- Trilogues are still expected to be starting towards the end of 2024.

3. Bathing Water Directive

Background:

- Bathing Water Directive ([2006/7/EC](#)):
 - Aims at protecting and improving the quality of the environment and to protect human health by complementing the Water Framework Directive.
 - Lays down provisions for the monitoring, classification and management of bathing water quality, as well as for the provision of information to the public on bathing water quality.
- On 28 October 2021, the Commission started the review process of the Directive announcing a public consultation to gather feedback on the Directive. A summary of the consultation was published on 6 February 2023:
 - The consultation showed that most respondents value bathing water quality, with two-thirds checking it before holidays and half using national sources. While many find national updates timely, few are aware of EU tools like reports or maps. The Bathing Water Profile is seen as useful, though only 15% participated in national site consultations. 70% recognise the Bathing Water Directive's value, with 60% believing it protects human health, but concerns exist about faecal bacteria monitoring.
 - Key pressures include untreated wastewater and agricultural runoff, and respondents see emerging risks and the need for better alignment with other EU policies. They also suggest increasing water sampling parameters and frequency.
- On 17 October 2023, the College of Commissioners' upcoming agenda for 2024 was published including an evaluation of the Directive.

3. Bathing Water Directive

Latest developments:

- On 4 July 2024, the main [conclusions](#) of the Commission's evaluation were presented at the Bathing Water Directive Expert Group meeting:
 - The level of ambition should be better aligned with European Green Deal (2050 zero pollution ambition).
 - Classification of bathing water quality (excellent, good, sufficient or poor) should better consider consolidated information available under the Environmental Quality Standards Directive, the Urban Wastewater Treatment Directive, the Water Framework Directive and the Bathing Water Directive evaluations.
 - Monitoring frequencies should be better adapted to local realities and cyanobacteria should be included in the quality classification.
 - Other pollutants/parameters should be considered based on a risk-based management of human health risks.
 - Efficiency could be improved via better use of automated monitoring, satellite imaging or predictive modelling.
 - Predictive modelling, microbial source tracking and remote sensing, could supplement current sampling methods.

Next steps:

- The Commission is expected to release the full evaluation by the end of 2024. If the Commission decides to present a proposal revising the Bathing Water Directive, the proposal would possibly be presented together with the evaluation.

4. Emissions Trading System Directive (ETS)

Background (I):

- The Emissions Trading System (ETS) Directive ([2003/87/EC](#)) sets up a greenhouse gas emissions trading system for several sectors (energy sector, energy-intensive installations, and aviation).
- In July 2021, the Commission issued a [proposal](#) to revise the Directive, including new sectors (such as maritime transport and road transport).
- The [Parliament](#) and the [Council](#) adopted their respective positions in June 2022, and reached an [agreement](#) on 18 December 2022. The final text was published in the EU Official Journal on 16 May 2023 as [Directive 2023/959](#) amending ETS Directive 2003/87/EC, and entered into force on 5 June. It includes:
 - Application to maritime transport activities covered by MRV Regulation Art. 2(1) (ships of 5000 GT and above on voyages for transporting cargo or passengers for commercial purposes) – applies to CO₂ and, from 1 January 2026, methane (CH₄) and nitrous oxide (N₂O) – applies to 100% of emissions from voyages between EU ports and 50% of emissions from voyages between EU and non-EU ports – accompanied by [Regulation](#) amending MRV Regulation (scope extended to cover not only CO₂ but also CH₄ and N₂O + monitoring obligations covering the GHG emissions covered by ETS).
 - Application to road transport and buildings (under a separate so-called ETS 2 system) – affects the “regulated entities” referred to in Annex III, which must hold greenhouse gas emissions permits issued by competent authorities – this means fuel suppliers supplying fuel to be used in road transport would have to monitor and report the quantity of fuel they place on the market and surrender emission allowances each calendar year depending on the carbon intensity of their fuels.
- Other relevant measures: decrease in total quantity of allowances; extension of ETS to buildings (under ETS 2); stricter ETS requirements for aviation.

4. Emissions Trading System Directive (ETS)

Background (II):

- On 15 May 2024, the Commission issued a [report](#) on the operation of EU climate legislation (the European Climate Law, the Effort Sharing Regulation and the ETS Directive) in the context of the global stocktake. With regard to ETS, the report provides an overview of the Directive's recent revision, stressing the critical role that the ETS will play as a key policy tool in achieving the EU's climate objectives:
 - The ETS has been revised to align with the EU's updated climate ambition of reducing net GHG emissions by 55% by 2030 compared to 1990 levels.
 - The ETS now includes maritime transport (ships above 5000 gross tonnes) from January 2024, covering first CO₂ emissions and, from 2026, also CH₄ and N₂O emissions. A parallel ETS scheme (ETS 2) will be put in place from 2027 covering road transport and buildings, which will regulate fuel suppliers.
 - The overall emission cap has been tightened, through an adjustment of the linear reduction factor and of the Market Stability Reserve.
 - The Innovation and Modernisation Funds have been increased to support the deployment of breakthrough technologies and the green transition.
 - Part of the revenues from the auctioning of emission allowances in ETS 2 will supply the new Social Climate Fund to address social impacts on vulnerable groups arising from the new system.
 - Accurate implementation and the stability of the legal framework are crucial for investment.
 - Since 5 June 2023, Member States are required to spend all revenues from the existing ETS and ETS 2 to further climate action, energy transformation and a just transition.

4. Emissions Trading System Directive (ETS)

Latest developments (I):

- On 30 August 2024, new monitoring rules were adopted for the EU ETS.
 - EU Member States represented in the Climate Change Committee endorsed an amendment to the MRV Regulation proposed by the Commission (Implementing Regulation (EU) 2018/2006) to align it with the revised ETS Directive.
 - Following the agreed revisions, specific renewable and low-carbon fuels can be used without counting their emissions against a company's total emissions quota under the EU ETS (Renewable fuels of non-biological origin (RFNBOs), recycled carbon fuels (RCFs), and synthetic low carbon fuels (SLCFs)), provided they meet sustainability and greenhouse gas (GHG) emission reduction criteria under the Renewable Energy Directive (RED II).
- On 12 September 2024, the Commission presented a [Report](#) to the members of the European Parliament's Committee on Environment, Public Health and Food Safety (ENVI) on ETS. The main conclusions of the report are the following:
 - The EU Emissions Trading System (ETS) was revised to meet the goal of cutting greenhouse gas emissions by 55% by 2030.
 - Its scope expanded to include maritime transport emissions, with a tightened emissions cap aiming for a 62% reduction by 2030.
 - A new ETS 2 for buildings, road transport, and smaller industries will start in 2027, with revenues supporting vulnerable groups through the Social Climate Fund.
 - Additional ETS funds will aid clean energy technologies. These changes ensure broader sector participation in achieving the EU's 2030 and 2040 climate targets.

4. Emissions Trading System Directive (ETS)

Latest developments (II):

- On 19 July 2024, the Commission opened a public [consultation](#) on a draft Delegated Act on the unilateral inclusion in ETS of water-borne navigation at national and international level by Austria in the ETS, which closed on 16 August 2024.
 - A total of 4 stakeholders submitted a comment.
 - NGOs supported expanding the EU ETS 2 to cover more sectors like transport, machinery, and heat, with *Citizens' Climate Europe* endorsing Austria's Klimabonus scheme to offset costs, and *Carbon Market Watch* favouring the inclusion of waterborne navigation under carbon pricing. Both urged careful management of emission allowances and increased financial support for Member States.
 - EU Citizens called for stricter CO2 regulations, promoting investments in emission reductions, setting realistic climate targets, and avoiding rising energy costs.
- On 24 September 2024, the Commission adopted its [Delegated Act](#) on the unilateral inclusion in ETS of water-borne navigation at national and international level by Austria in the ETS.
 - This inclusion covers emissions from fuels used to propel waterborne vessels, including hovercraft and hydrofoils, but excluding fishing vessels, and commercial activities on the Danube River and on the international lakes (Constance and Neusiedl) (water-borne Navigation); emissions from fuels used by vessels of all flags that are engaged in international waterborne navigation but excluding fishing vessels, and commercial activities on the Danube River and on the international lakes (Constance and Neusiedl) (international waterborne navigation 'International Bunkers'); and Emissions from fuel used for navigation of all vessels that depart and arrive in the same country, except fishing vessels, and commercial activities on the Danube River and on the international lakes (Constance and Neusiedl) (domestic waterborne navigation).

4. Emissions Trading System Directive (ETS)

Latest developments (III):

- Austria was the first country to ask for an extension of the ETS, using a provision included in the Directive as legal basis. End of September 2024, the Netherlands and Sweden followed the possibility. The Commission adopted the asked ETS scope [extensions](#) through Delegated Act for the Netherlands on 24 September 2024 and opened a public [consultation](#) on the [draft](#) Delegated Act for Sweden on 27 September 2024.

Next steps:

- The Commission is expected to come forward with its first evaluation of the Modernisation Fund established under the EU Emissions Trading System (EU ETS).
- CH₄ and N₂O emissions from maritime transport will be included in ETS from 2026.
- The ETS 2 scheme, covering road transport and buildings, will apply from 2027.

5. Deforestation Products Regulation

Background:

- [Regulation \(EU\) 2023/1115](#) on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010 (Timber Regulation):
 - Aims to minimise the consumption of products coming from supply chains associated with deforestation or forest degradation and simultaneously increase EU demand for and trade in legal and deforestation-free commodities and products.
 - Operators and traders must exercise due diligence, including risk assessments and mitigation. Small and medium-sized traders must maintain specific business information, while simplified due diligence applies to low-risk regions.
 - Member States must designate competent authorities (CAs) to ensure compliance through checks, with penalties for non-compliance. High-risk countries will face enhanced scrutiny, with at least 15% of operators being checked annually.
 - Customs procedures require verification of due diligence before releasing relevant commodities and products.
 - Risk-Based Country benchmarking classifies countries as low, standard, or high risk based on deforestation and agriculture trends. The Commission will update risk classifications and engage with producer countries to address deforestation.
 - Public engagement allows individuals to submit concerns about non-compliance, with access to judicial review for those with sufficient interest.
 - The Commission will maintain a system to track due diligence statements, customs interconnections, and risk profiles (Information system).
 - The Commission will conduct periodic reviews and propose legislative changes, as needed, and assess whether the Regulation should expand to cover other ecosystems or products.
 - The effects of this Regulation are expected to apply from 30 December 2024.

5. Deforestation Products Regulation

Latest developments:

- On 28 August 2024, the agriculture ministry of The Czech Republic asked the European Commission to push back the application date, which is currently set for 30 December 2024. They argue that the Commission hasn't finished important documents that companies need to follow to comply properly. These documents include guidelines and information on high-risk areas for deforestation. The Czech Republic is not alone in this request. Several other EU countries, including Austria, Finland, Italy, Poland, Slovakia, Slovenia, Sweden, and Brazil also want a delay. The European People's Party (largest party in the European Parliament) also supports postponing the rules. However, the European Commission declared it is not planning to delay the Regulation. The pressure continues with letters from the countries concerned and from the wholesale sector lobby.

Next steps:

- The Commission is still expected to come forward with an Implementing Regulation on the functioning of the Information System (see previous slide) by the end of December 2024.

6. MRV Regulation (monitoring, reporting and verification)

Background (I):

- Directive [2015/757](#) on the monitoring, reporting and verification of greenhouse gas emissions from maritime transport (the MRV Regulation):
 - Lays down rules for the accurate monitoring, reporting and verification of GHG emissions and of other relevant information from ships arriving at, within or departing from ports under the jurisdiction of a Member State.
 - It applies to ships of 500 gross tonnage and above, in respect of the GHG emissions released during their voyages for transporting cargo or passengers for commercial purposes. From 2025, it applies also to general cargo ships between 400 and 5000 gross tonnage transporting cargo for commercial purposes, as well as to offshore ships of 5000 gross tonnage and above.
 - Companies must monitor GHG emissions from vessels, documenting their methodology in a monitoring plan, as per Annexes I and II. They must submit an externally verified emissions report to the Commission and to the authorities of the flag states concerned.
- The MRV Regulation was amended in 2023 by Regulation [2023/957](#), which adapted the MRV Regulation's provisions to bring them in line with the revised ETS Directive, which has introduced the trading of emissions from maritime transport. The changes made to the MRV Regulation relate to the expansion of the MRV Regulation's scope, the reporting of aggregated emissions data at company level, and the role of administering authorities. Consequently, the MRV Regulation no longer covers only CO₂, but also methane (CH₄) and nitrous oxide (N₂O), both of which will apply from 2024. ETS obligations for maritime transport will kick in progressively between 2024 and 2026.

6. MRV Regulation (monitoring, reporting and verification)

Background (II):

- Following the amendment of the MRV Regulation to bring it in line with the new ETS Directive, which brings maritime transport into the ETS, the Commission has been working on secondary legislation associated with the MRV Regulation, thereby revising and updating certain aspects laid down in secondary laws. The new draft secondary laws includes the following:
 - [Draft Delegated Regulation](#) on the verification activities, accreditation of verifiers, and approval of monitoring plans by administering authorities. It will establish the rules on these aspects, and will replace Delegated Regulation 2016/2072.
 - [Draft Delegated Regulation](#) revising Annexes I and II of the MRV Regulation, which include the methods and rules on the monitoring and reporting of GHG emissions from shipping, to take account of the Regulation's extended scope, which now covers methane and nitrous oxide emissions as well as GHG emissions from offshore ships.
 - [Draft Delegated Regulation](#) on rules for the reporting of aggregated emissions data at company level, and their submission to the administering authority responsible for the shipping company.
 - [Draft Implementing Regulation](#) updating the templates for (a) monitoring plans, (b) emissions reports, (c) compliance documents, and (d) aggregated emissions data at company level. It will replace Implementing Regulation 2016/1927.

6. MRV Regulation (monitoring, reporting and verification)

Latest developments:

- On 30 August 2024, new amendments were adopted to align the MRV Regulation with the EU ETS (see ETS slides).
- The Commission was expected to publish a Report on the convergence between the [FuelEU Maritime Regulation](#) and the Regulation on the [monitoring of CO2 emissions in maritime transport](#) on 23 September 2024. The expected Report is required by Article 30 (1) of the FuelEU Maritime Regulation which establishes requirements for monitoring, reporting and verification of carbon emissions for ships arriving or departing from EU ports. In the expected Report, the Commission is required to examine the interaction and convergence between the two listed regulations. The Report may be accompanied by a legislative proposal if necessary.

Next steps:

- The Commission will finalise the draft secondary legislation (Delegated and Implementing Regulations) associated with the MRV Regulation over the coming weeks, and they will be published in the Official Journal over the coming months, expectedly before the end of the year, to bring the Regulation fully in line with its recent ETS-related amendment.
- The Commission should review the MRV Regulation by the end of 2024, assessing the text's effectiveness, compliance, and impact on the relevant stakeholders.

7. Green Claims Directive

Background (I):

- [Proposal](#) for a Directive on substantiation and communication of explicit environmental claims (March 2023): It would set common criteria against greenwashing and misleading environmental claims, addressing explicit claims and the proliferation of new public and private environmental labels. Claims already covered by other EU laws are excluded from the scope.
- The proposal would:
 - Oblige companies to respect minimum requirements when communicating and substantiating green claims. Companies would have 30 working days after being notified to fix non-compliant claims, and countries would have to implement penalties in case of non-compliance. That includes fines to issue money gained through misleading claims or temporary exclusion for up to 12 months from public procurement processes and access to public funding.
 - Companies would have to back their claims with scientific evidence which considers environmental standards.
 - No longer permit labels which use aggregate scoring of the product's overall environmental impact.
 - Regulate further environmental labels to avoid their proliferation.
 - Forbid new public labelling schemes while and new private schemes will need to be assessed before being approved.
 - If the future results of the monitoring and evaluation of this Directive indicates the necessity of it, ban the environmental claims for products containing hazardous substances except where their use is considered essential for the society.

7. Green Claims Directive

Background (II):

- The Parliament adopted its [position](#) on the file on 12 March 2024:
 - The evidence supporting environmental claims would need to be assessed within 30 days; however, simpler claims and products could benefit from quicker or easier verification.
 - While micro enterprises would be exempted by the Directive, SMEs would be granted an extra year to be in compliance with the rules.
 - Penalties would be implied to companies, including the temporary exclusion from public procurement tenders or the imposition of fines decided by the Member States.
 - Additionally, claims being based solely on carbon offsetting schemes would remain banned.
 - Even if the possibility of a prohibition will be reviewed by the Commission, the Parliament suggested allowing claims on products containing hazardous substances.
 - Verifiers would be obliged to provide an estimation of the period of verification procedure.

7. Green Claims Directive

Background (III):

- The Council adopted its [General Approach](#) on the proposal on 17 June 2024:
 - Contrary to the Commission's proposal, the Council suggested distinguishing explicit environmental claims from environmental labels to better specify the obligations applicable to each and introducing support measures for SMEs and microenterprises to reduce administrative burden.
 - The Council introduced a new definition for environmental characteristics, defined as an environmental aspect, impact or performance to substantiate environmental claims and labels with references to such characteristics.
 - The Council proposes expanding the simplified procedure for the substantiation of explicit environmental claims to include environmental labels, requiring claims to be based on assessments that meet specific minimum criteria. Claims based on carbon credits must be accompanied by an assessment report detailing the nature and aspects of the claim.
 - Minimum requirements for comparative claims are provided, implying that a product or trader has a lower environmental impact than another.
 - The Council extended communication requirement for explicit environmental claims to environmental labels, including an obligation to cover environmental characteristics and include information on how consumers should use the products to achieve the expected environmental performance.
 - Claims, labels, and labelling schemes must undergo verification by officially accredited verifiers, who will issue a certificate of conformity recognised across the EU.
 - Member States must define penalties for infringements based on various factors, including the nature and gravity of the infringement and the financial strength of the responsible party. Boating companies need to comply to avoid penalties.

7. Green Claims Directive

Latest developments:

- The Rapporteur and Shadow Rapporteurs (lead MEPs working on the file) are being replaced soon due to the results of the European elections. Official appointments are as follow:
 - To replace MEP Cyrus Engerer (S&D, Malta) who did not stand for reelection, the ENVI Committee appointed MEP Delara Burkhardt (S&D, Germany) as new Rapporteur on the file. Ms Burkhardt is therefore expected to lead the European Parliament's negotiating team for interinstitutional discussions (trilogues) with the Council, which are expected to start towards the end of 2024.
 - MEP Laura Ballarín Cereza (S&D, Spain), who has been reelected to the European Parliament, has been confirmed by the IMCO Committee as Shadow Rapporteur on the file.

Next steps:

- The European Parliament is likely to appoint new Shadow Rapporteurs in the coming weeks prior to entering into negotiations.
- The Council is expected to initiate interinstitutional negotiations towards the end of 2024.

8. Ship-source pollution and penalties for infringements

Background (I):

- The Directive on ship-source pollution and on the introduction of penalties for infringements ([2005/35](#)) incorporates international standards for ship-source pollution from any ship and to ensure that persons responsible for discharges are subject to adequate penalties.
- The Sustainable and Smart Mobility Strategy ([2020](#)) announced a revision of the Directive, with the [proposal](#) presented by the Commission on 1 June 2023.
- The proposal aims at:
 - (i) incorporating international standards into EU law by aligning the Directive with MARPOL Annexes on discharges into the sea.
 - (ii) supporting Member States by building their capacity to detect pollution incidents, verify, collect evidence and effectively penalise identified offenders in a timely and harmonised manner.
 - (iii) ensuring that persons responsible for illegal discharges from ships are subject to effective, proportionate and dissuasive penalties.
 - (iv) ensuring simplified and effective reporting on ship-source pollution incidents and follow-up activities.
- The proposal contains a robust framework for penalties for infringements, and their application. In addition, it sets out measures to strengthen enforcement.
- The proposal extends the range of substances classified as polluting: those subject to regulation by MARPOL 73/78 Annexes I (oil), II (noxious liquid substances in bulk), III (harmful substances carried by sea in packaged form), IV (sewage from ships), V (garbage from ships) and Exhaust Gas Cleaning System residue.

8. Ship-source pollution and penalties for infringements

Background (II):

- On 28 February 2024, the [provisional agreement](#) reached by the Parliament and the Council was published. The key provisions of the final law are the following:
 - Scope: Ensures that not only persons, but also companies responsible for illegal discharges from ships are subject to effective, proportionate and dissuasive penalties.
 - Infringements and exceptions: Member States must treat discharges of polluting substances into specified areas as infringements, except under certain conditions specified in MARPOL 73/78.
 - Maintains the list of polluting substances proposed by the Commission.
 - Administrative penalties: Member States must establish penalties for breaches of the directive, including fines imposed on liable companies.
 - Inspections and enforcement: Procedures for inspections and enforcement actions when irregularities or suspicions arise regarding pollution offenses.
 - Exchange of information and experience: Cooperation among Member States and the Commission for exchanging information, developing control systems, and organising training to ensure effective implementation and enforcement of the directive.
 - Reporting: Establishment of an electronic reporting tool for Member States to report on enforcement actions, inspections, and penalties imposed.
 - Evaluation and Review: Mandate for the Commission to evaluate the directive within a specified timeframe based on implementation experiences, reported information, and scientific findings, with a possibility of modifying the scope if needed.

8. Ship-source pollution and penalties for infringements

Latest developments:

- The Parliament adopted the provisional agreement in the plenary (583 votes in favour, 27 against, 12 abstentions) before the European elections in June. Because of the tight timeline, the Parliament has adopted its position without a complete legal-linguistic verification, triggering a corrigendum procedure.
- This procedure implies a revision of the adopted text by the Committee responsible for the proposal (ENVI). When approved, the revised text will be submitted to a plenary vote. Assuming the new Parliament plenary approves the revised text, the Council would then be able to approve the text.

Next steps:

- Over the coming months, the corrigendum text should be presented and voted in the Plenary.
- The Council would then have to adopt the text.
- The law will then be published in the EU Official Journal and enter into force 20 days after its publication.
- Then, Member States will have to make the necessary adjustments in national law to implement the revision of the Directive within 30 months after the entry into force.

9. Trade issues

UK:

- Background:
 - On 1 February 2020, the [Withdrawal Agreement](#), which established the terms of the UK's orderly withdrawal from the EU entered into force.
 - In May 2021, the [EU-UK Trade and Cooperation Agreement](#) (TCA) entered into force. It sets out preferential arrangements in areas such as trade in goods and in services, digital trade, intellectual property, public procurement, road transport, energy, fisheries, law enforcement, thematic cooperation, and participation in EU programmes.
 - In June 2022, the UK government introduced draft legislation to unilaterally revise the Northern Ireland protocol, in response to which the Commission launched legal actions against the UK. On 29 June 2023, [Regulation \(EU\) 2023/1231](#) was published in the EU Official Journal. It sets out specific rules relating to the entry into Northern Ireland from other parts of the United Kingdom of certain consignments of retail goods, plants for planting, machinery and certain vehicles operated for agricultural or forestry purposes. The measure entered into force on 2 July 2023.
 - On 31 January 2024, the European Commission published a [proposal](#) aiming to improve how the UK tariff rate quotas work for importing certain goods into Northern Ireland, as outlined in Decision ([1/2023](#)) and the proposed Annex V.
 - On 21 March 2024, the Commission presented its annual [Report](#) on the implementation and application of the EU/UK Trade and Cooperation Agreement (TCA). It highlights notable progress in several areas (trade and electricity trading, transport, energy, and law enforcement). Key developments include active involvement from governance bodies, with thirty meetings held to oversee the TCA's implementation. The report also outlines the enforcement and dispute resolution mechanisms in place, emphasising the need for ongoing dialogue.

9. Trade issues

UK:

- Latest developments:
 - Third EU-UK Trade and Cooperation Agreement Civil Society Forum took place on 20 September 2024 in Brussels, bringing together diverse stakeholders to discuss key aspects of the EU-UK Trade and Cooperation Agreement.
 - The forum focused on trade in goods, with presentations from both EU and UK Delegated Advisory Groups (DAGs).
 - Next, the forum shifted to the level playing field and regulatory cooperation. Both DAGs presented their perspectives, which sparked further discussion among participants.
 - The focus then turned to trade in services, with a similar structure of introduction, presentations, and discussions.
 - The final topic addressed was energy, which involved presentations from the DAGs and extensive discussions on energy trade and cooperation. Participants emphasised the importance of energy security and sustainability in the context of EU-UK relations.
 - The forum concluded with interventions from the chairs of the EU and UK DAGs.

9. Trade issues

US:

- Background:
 - On 18 April 2023, the [US Inflation Reduction Act](#) took effect. It links US home production to subsidies and tax breaks.
 - In June 2023, the EU and US announced they would start negotiations for a [Critical Minerals Agreement \(CMA\)](#). The agreement would foster EU-US supply chains in critical raw materials needed for electric vehicle batteries and would cover trade facilitation; cooperation to enhance the sustainability of the critical raw material sector; promotion of labour rights in the critical raw materials sector; common standards to strengthen sustainable and fair supply chains.
 - In October 2021, the EU and US agreed to start discussions on a [Global Arrangement on Sustainable Steel and Aluminium](#) through the creation of a "green steel club". The Global Arrangement will seek to ensure the long-term viability of both industries, encourage low-carbon intensity steel and aluminium production and trade, and restore market-oriented conditions. Previously, the US had removed Section 232 tariffs on EU steel and aluminium exports and the EU had started to take steps to suspend its rebalancing measures against the US.
 - The deadline for agreement was 31 October 2023. Failure to reach a deal would trigger automatic reinstatement of US tariffs and EU retaliatory measures starting 1 January 2024. On 19 December 2023, the European Commission extended the suspension of its tariffs on US products until 31 March 2025, pending the start of the next US government ([press release](#)).
 - The [5th TTC](#) (Trade and Technology Council) ministerial meeting took place in Washington on 30-31 January 2024. The EU and US agreed to: boost trade in green technologies, make tangible progress on digital trade tools, intensify the coordination on the availability of critical raw materials crucial for semiconductor production, cooperate on artificial intelligence and 6G.
 - The 6th TTC ministerial meeting is scheduled to take place in Leuven on 4-5 April 2024.

9. Trade issues

US:

- Latest developments:
 - On 18 July 2024, the first High-Level Minerals Security Partnership (MSP) Forum Event took place. As a result, MSP Forum members will work together to develop individual projects and promote a dialogue on policies that contribute to diversification and resilience of supply chains. The United States and the European Union declared looking forward to working with MSP Forum members to coordinate the development of more sustainable and diverse critical minerals projects and promote policies that help us achieve our shared goals during the energy transition.
 - On 16 September 2024, high-level officials of the European Union and the United States [met](#) to examine how work has progressed under the EU-US Trade and Technology Council (TTC) since the sixth ministerial-level meeting that took place in April 2024 in Belgium.
 - During the meeting, the EU and US officials took note of the progress achieved on joint work in various TTC working groups. In particular, they agreed on the need to increase efforts to support the deployment of secure digital infrastructure. In addition, the two sides would like to encourage collaboration on technology standards, in particular on digital identity and plastic recycling.
 - Furthermore, the EU and the US would like to promote sustainable and secure trade flows across the Atlantic, in particular through the Transatlantic Initiative on Sustainable Trade (TIST). The two sides agreed on the importance of considering stakeholders' opinions on next steps in this area.

9. Trade issues

Mercosur (*negotiations ongoing*):

- Background:
 - After two decades of on-off negotiations, the EU and Mercosur (Argentina, Brazil, Paraguay and Uruguay) reached a political agreement in June 2019 for a comprehensive [EU-Mercosur Trade Agreement](#) in order to increase bilateral trade and investment and reduce tariff and non-tariff trade barriers.
 - In January 2020, the Austrian government rejected the trade agreement in its current form. Since then, other Member States such as France have also been reluctant to follow through with the agreement. The agreement therefore remains blocked in the Council. It has not yet been finalised, signed or ratified.
 - In June 2023, Commission Executive Vice-President Dombrovskis indicated that starting in 2024, the EU will only allow products free from deforestation on its market due to the Deforestation Regulation.
 - In November 2023, media reported that Brazilian Foreign Minister insisted that if the EU goes ahead with deforestation requirements, Brazil will not sign the EU-Mercosur Free Trade Agreement (FTA).
 - The agreement was expected to be reached on 7 December 2023, when Mercosur met for their annual summit. However, Commission President Ursula von der Leyen and Executive Vice-President Valdis Dombrovskis did not take part in this Mercosur summit due to uncertainties with Argentina's new government. Previously, Argentina's former President Alberto Fernández publicly stated that he would not sign the Agreement as he considered the deal to excessively favour EU industrial exports and restrict South American agricultural exports.
 - According to media sources, French President Macron stated that the EU needed to reconsider some provisions of the Agreement as they are not acceptable to EU farmers. For his part, German Chancellor Olaf Scholz stressed that the Agreement would play a geostrategic role and would contribute to improving the EU's economic growth.

9. Trade issues

Mercosur (*negotiations ongoing*):

- Latest developments:
 - On 6 September 2024, negotiators ended two days of trade negotiations on 6 September with "significant progress" on contentious issues that have been holding up the long-overdue EU-Mercosur agreement.
 - EU and South American Mercosur trade negotiators are expected to meet in Brazil from 7 to 9 October 2024 to continue discussions on a free-trade agreement, which as a reminder has been in the works for 25 years. This meeting follows a discussion between European Commission President Ursula von der Leyen and Brazil's President Luiz Inácio Lula da Silva at the UN General Assembly. Both sides aim to finalise the deal before the G20 summit in November, hosted by Lula in Rio. On the agenda of the discussion, the two sides are expected to discuss issues related to the green transition, including the safeguards on electric vehicles, as per Brazil's request and the EU's controversial anti-deforestation rules. These renewed efforts to close the deal, are due to the pressure from 11 EU countries that want to boost trade and counter China's growing influence in South America.

9. Trade issues

Singapore (negotiations concluded):

- Background:
 - The [EU-Singapore Free Trade Agreement and Investment Protection Agreement](#) were signed in October 2018 and entered into force in November 2019. The agreement aims to remove all customs duties and get rid of overlapping bureaucracy, improve trade for goods like electronics and food, stimulate green growth, and encourage investment from EU and Singaporean companies.
 - On 1 February 2023, the EU and Singapore launched a [Digital Partnership](#), which establishes an advanced cooperation between the two countries on digital issues with a view to fostering economic growth and a human-centric digital transformation based on common values. It sets out a list of joint actions to be taken by the partners, which includes enhancing research cooperation in cutting edge technologies such as artificial intelligence (AI) and semiconductors, promoting cooperation in regulatory approaches such as in the field of electronic identification (eID), fostering investments in resilient and sustainable digital infrastructures, ensuring trusted cross-border data flows in compliance with data protection rules, promoting information exchange and cooperation in the field of cybersecurity, facilitating digital trade, and enhancing digital education and skills, among others.
 - On 14 April 2023, the Commission released a [recommendation](#) for a Council Decision authorising the opening of negotiations for EU-Singapore Digital Trade Disciplines. The negotiations would build on the cooperation on digital trade created by the EU-Singapore Digital Partnership and would cover (among others): (a) facilitation of electronic transactions; (b) customs duties on electronic transmissions and the transmitted content; (c) consumer trust; (d) cross-border data flows with trust, data localisation requirements and personal data protection.
 - On 20 July, a [Joint Statement](#) on the launch of negotiations for a EU-Singapore digital trade agreement was published.

9. Trade issues

Singapore (*negotiations concluded*):

- Latest developments: on 25 July 2024, EU and Singapore concluded negotiations for landmark Digital Trade Agreement focusing on removing barriers in the digital economy and facilitating secure and seamless digital commerce.

9. Trade issues

Vietnam (*negotiations concluded*):

- Background:
 - Negotiators signed the [EU-Vietnam Trade Agreement and Investment Protection Agreement](#) in June 2019. The Trade Agreement entered into force in August 2020.
 - The agreements eliminated 99% of all tariffs, reduced regulatory barriers and overlapping red tape, ensured the protection of geographical indications, and opened up services and public procurement markets.
- Latest developments:
 - In recent years, the EU imposed anti-subsidy and anti-dumping measures on cold-rolled stainless steel (SSCR) imports from Indonesia. These measures were aimed at countering unfair trade practices, where products are sold below fair market value or are subsidized by governments, harming EU producers. However, some companies started rerouting Indonesian steel through Taiwan, Turkey, and Vietnam, performing minimal processing to avoid paying these tariffs.
 - To stop this, in May 2024, the Commission extended the tariffs to include imports from these three countries as well. This action protects jobs in the EU by ensuring the tariffs remain effective.
 - The new tariffs are 20.5% for anti-subsidy duties and 19.3% for anti-dumping duties. Legitimate producers in Taiwan, Turkey, and Vietnam are exempt from these measures.

contact.

logos

secretariat@logos-pa.com

www.logos-pa.com

logos public affairs

Avenue des Arts, 47

1000 Brussels

+32 02 588 24 31

logos

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