

ICOMIA

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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.

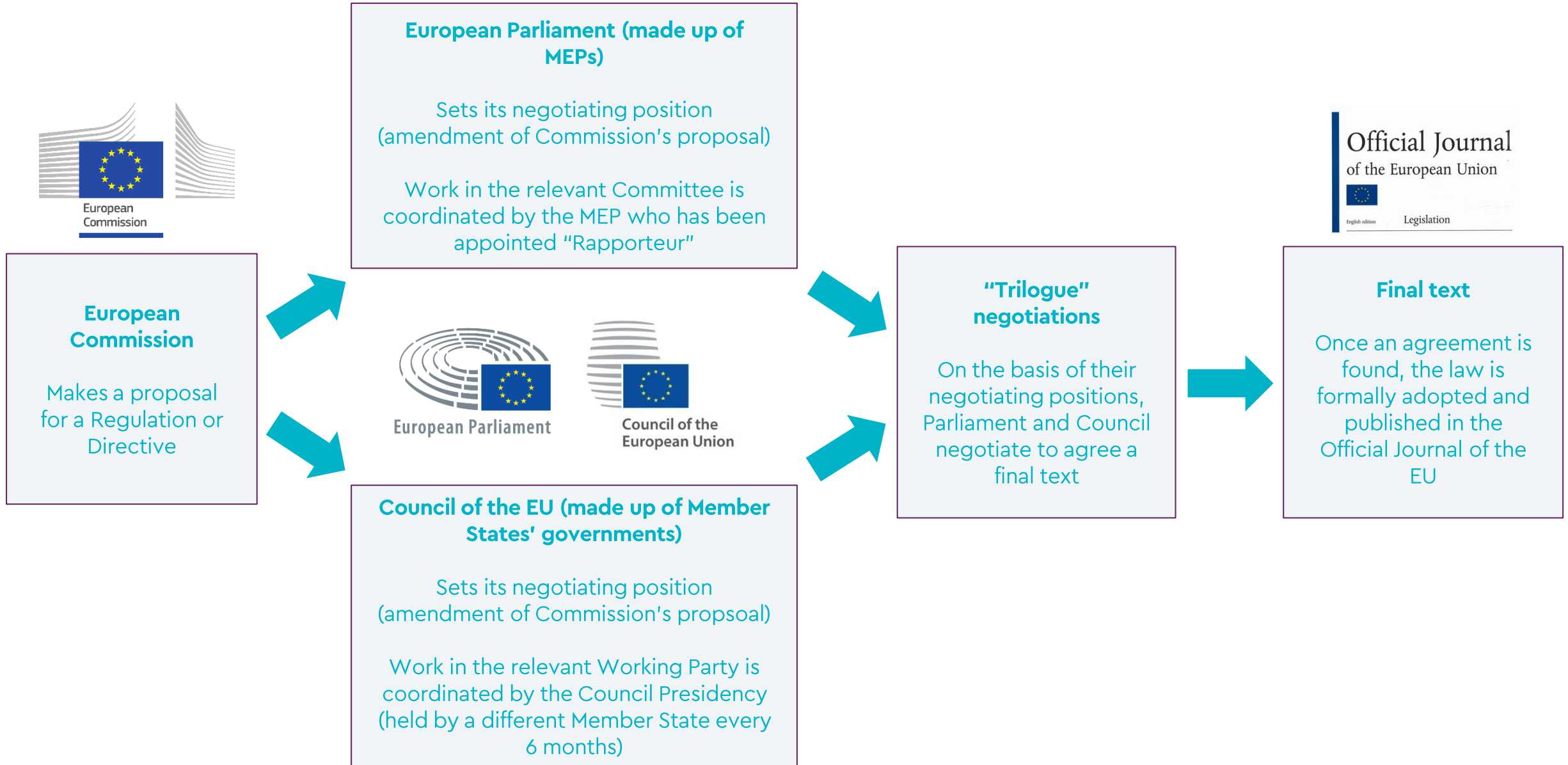
European Parliament Committees: Committees of MEPs, organised by policy area, which deal with specific proposals before they are adopted by the European Parliament plenary, e.g. ENVI Committee (Environment, Public Health and Food Safety), TRAN Committee (Transport and Tourism), IMCO Committee (Internal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

- 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. They agreed on 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; and 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. The Council adopted the law's revision on 12 April 2024 unanimously without debate.
- The [revised](#) Directive entered into force on 4 August 2024 and therefore applies from the same day.

1. Industrial Emissions Directive

Latest developments:

- The transposition period started, giving EU Member States 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 will face legal action from the European Commission.
- According to a document from the European People's Party (EPP) stating its preferences for the upcoming 2025 Commission, the group is suggesting splitting the Industrial Emissions Directive into two laws, one for industry and one for agriculture.

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. Ship Recycling Regulation

Background:

- Ship Recycling Regulation ([1257/2013](#)):
 - Aims to prevent, reduce, minimise and, to the extent possible, eliminate accidents, injuries and other adverse effects on human health and the environment caused by ship recycling.
 - Applies to ship of 500 gross tonnes or more flying the flag of an EU Member State or calling at an EU port.
 - Ensures that hazardous waste from ship recycling is subject to environmentally sound management., laying down rules to ensure the proper management of hazardous materials on ships.
 - Every new ship must have on board an inventory of the hazardous materials it contains. Before recycling the ship, the owner must prepare a ship recycling plan.
 - To prevent the dismantling of EU under conditions that are harmful to workers and to the environment (especially in South Asia), all large-scale sea-going vessels sailing under the flag of a Member State must use an approved ship recycling facility included in the European List of ship recycling facilities. These facilities recycle the vessel in a safe manner and in an environmentally friendly way.
- Implementing Decision [2016/2323](#) sets out, in its Annex, the European List of ship recycling facilities, pursuant to Article 16 of the Ship Recycling Regulation. This Implementing Decision gets amended regularly in order to update the list of facilities.
- In December 2023, the Commission [updated](#) the list of ship recycling facilities.

2. Ship Recycling Regulation

Latest developments:

- The Commission is expected to come forward with a measure amending Implementing Decision (EU) 2016/2323 establishing the European List of ship recycling facilities. The draft amendments were made [available](#) on 6 November 2024, containing facilities located in Belgium, Denmark, Estonia, Spain, France, Italy, Latvia, Lithuania, The Netherlands, Norway, Finland, the United Kingdom and Northern Ireland, Turkey, and the United States of America. It sets out information including: (a) the method of recycling; (b) the type and size of ships that can be recycled; (c) limitations and conditions under which the ship recycling facility operates; (d) details on the explicit or tacit procedure; (e) the maximum annual ship recycling output; and (f) the date of expiry of inclusion in the list.

Next steps:

- The evaluation of the Ships Recycling Regulation, foreseen in Article 30(4), is still expected since Q1 2024. It will review the implementation and success of the Regulation.
- Once published by the Commission, it will then be sent to the European Parliament and the Council for examination.
- It will likely be followed by a legislative proposal to revise the Regulation.

3. 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.

3. Emissions Trading System Directive (ETS)

Background (II):

- The Commission issued several reports on the ETS Directive.
- 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).

3. Emissions Trading System Directive (ETS)

Latest developments:

- The Delegated Decisions on the unilateral inclusion in ETS of water-borne navigation for [Sweden](#) (Emissions from fuels used in leisure boats, excluding commercial waterborne navigation) and the [Netherlands](#) (Emissions from fuels used to propel water-borne vessels on inland waters, including hovercraft and hydrofoils, but excluding fishing vessels) were adopted on 24 September 2024 and 27 November 2024. Both countries asked for an extension of the ETS using the Article 30j(1) of the [Directive 2003/87/EC](#) (EU ETS Directive), as amended by [Directive \(EU\) 2023/959](#), as legal basis.
- The European Commission presented its [Report](#) on 12 September assessing the operation of the ETS Directive in front of the Committee on Environment, Public Health and Food Safety (ENVI):
 - The report indicates that the Commission considers the Scientific Advisory Board on Climate Change (Advisory Board) recommendations on a series of actions to put the EU on track towards climate neutrality, including putting forward clear plans and timelines to phase out harmful fossil fuel subsidies, making EU policies fully consistent with the need to phase out fossil fuels, reforms to existing EU policies for the post-2030 period including additional adjustments to the EU ETS and EU ETS 2.
 - The report mentions that Maritime transport is a large and growing source of greenhouse gas emissions, generating around 3-4% of the EU's total CO₂ emissions (over 124 million tonnes of CO₂ in 2021) when considering all emissions from voyages to and from the EU⁴⁹. Its inclusion in the EU ETS ensures that the sector contributes to the EU's climate objectives.
 - The report indicates that some elements of the EU ETS Directive will be subject to review by July 2026.

3. Emissions Trading System Directive (ETS)

Next steps:

- According to the report, some elements of the EU ETS Directive will be subject to review by July 2026.
- The Commission is expected to come forward with its first evaluation of the Modernisation Fund established under the EU Emissions Trading System (EU ETS) in Q4 2025.
- 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.

4. 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.

4. Deforestation Products Regulation

Latest developments (I):

- On 28 August 2024, the agriculture ministry of the Czech Republic asked the European Commission to push back the application date, arguing that the Commission hadn't finished important documents that companies needed to follow to comply properly.
- On 2 October 2024, the European Commission [proposed](#) a 12-month delay to the implementation of the EU's new anti-deforestation Regulation.
- On 3 December 2024, EU lawmakers reached an agreement to delay the implementation of the Anti-Deforestation Regulation by one year, pushing its start to 30 December 2025. The decision gives businesses and trading partners additional time to prepare for the regulation's stringent tracing and due diligence requirements.
 - The delay does not alter the Commission's original proposal. Amendments introduced by the European Parliament to create a "no risk" category for commodities from areas with zero deforestation risk were not adopted.
 - The Commission committed to exploring ways to simplify the regulation and reduce burdens, particularly for small businesses. A 2028 review will assess further streamlining opportunities, and updated FAQs and guidelines will be published to support companies during the transition.

4. Deforestation Products Regulation

Latest developments (II):

- The European People's Party (EPP), which had pushed for significant changes to the regulation, failed to secure support from EU member states and was forced to retreat. Despite this, German MEP Christine Schneider, who led the EPP's negotiations, described the delay as a "victory," emphasising the additional preparation time granted to businesses and farmers. Opponents, including Pascal Canfin of Renew Europe and Delara Burkhardt of the Socialists & Democrats, criticized the EPP's tactics as irresponsible and disruptive, accusing the group of creating uncertainty and damaging the Parliament's reputation.
- The Parliament adopted the provisional political agreement with the Council to delay the application of the new rules with 546 votes to 97 and 7 abstentions.

Next steps

- This Regulation will enter into force on the third day following its publication in the Official Journal of the European Union.

5. Waste Framework Directive

Background:

- Directive [2008/98/EC](#) on Waste:
 - Lays down measures to protect the environment and human health by preventing or reducing the generation of waste, preventing or reducing the adverse impacts of the generation and management of waste, reducing the overall impacts of resource use, and improving the efficiency of such use.
 - It applies the following waste hierarchy as a priority order in waste prevention and management legislation and policy: (a) prevention, (b) preparing for reuse, (c) recycling, (d) other recovery (e.g. energy recovery), and (e) disposal.
 - The Directive also sets out some measures concerning hazardous waste and waste oils.
 - Under the 2018 revision of the Directive, Member States must take a number of measures to prevent waste generation, including identifying the products that are the main source of marine litter in natural and marine environments and aiming to halt the generation of marine litter.
- On 5 July 2023, the Commission presented a [proposal](#) for a revision of the Waste Framework Directive. The scope of the revision was limited to food and textile waste. The revision does not affect the provisions related to hazardous waste and waste oils, which could be the most relevant to the boating industry.
- On 12 March 2024, the Parliament adopted its [position](#), which includes the following provisions:
 - Maintains the targeted revision proposed by the Commission limiting the scope to food and textile waste. There are no measures concerning hazardous waste and waste oils.
 - By 31 December 2025, the Commission will conduct a study on applying end-of-waste criteria to plastic polymers in marine litter, considering Member States' best practices and may enact implementing acts for uniform criteria.
 - New article requiring the Commission to evaluate this Directive by 31 December 2026.

5. Waste Framework Directive

Latest developments:

- The Council adopted its [general approach](#) in June 2024, including the following provisions:
 - The Council agrees with the Commission's 2030 food waste reduction targets and supports the Commission's ability to set waste prevention, collection, reuse, and recycling targets by 2028 for textiles. It recommended allowing reduced fees for producers selling reusable products under the extended producer responsibility (EPR) scheme.
 - The approach does not contain measures concerning hazardous waste and waste oils.
 - New article requiring the Commission to evaluate this Directive by 31 December 2028.
- Trilogues started in October 2024 and are still ongoing.

Next steps:

- The Commission proposal to revise the WFD 2030 targets is expected by the end of 2026.
- The Commission is expected to present a Report reviewing WFD 2035 targets by the end of 2028 (indicating legislative proposal or not).

6. Biocidal Products Regulation (BPR)

Background:

- The Biocidal Products Regulation (BPR, [Regulation \(EU\) 528/2012](#)) came into force in 2012. It regulates the placing on the market and use of biocidal products, which are used to protect humans, animals, materials, or articles against harmful organisms through the action of the active substances contained in the biocidal product. This regulation aims to improve the functioning of the biocidal products market in the EU while ensuring an elevated level of protection for humans and the environment. The Regulation is divided into four different categories, which include 22 distinct products. These categories are disinfectants (group 1), preservatives (group 2), pest control (group 3) and other biocidal products (group 4).
- The group 4 includes antifouling products, defined as products used to control the growth and settlement of fouling organisms (microbes and higher forms of plant or animal species) on vessels, aquaculture equipment or other structures used in water.
- Products falling under product-type 21 are subject to stricter measure under the Regulation such as the exclusion from the possibility of authorisation for biocidal products which have similar conditions of use across the Union.
- The Employment, Social Policy, Health, and Consumer Affairs (EPSCO) Council convened on 7 December 2021, where the European Commission presented its [findings](#) on the implementation of the Biocidal Products Regulation. The meeting spotlighted significant delays in achieving key objectives, alongside challenges faced by Member States in meeting their obligations under the regulation. MSs did not react to this report.

Latest developments:

- None.

6. Biocidal Products Regulation (BPR)

Next steps:

- The Commission is expected to present an **Evaluation of the BPR in 2025**.
- The evaluation will analyse the fitness of the current regulatory framework and serve as a basis for **potential further action**.
- This evaluation could lead to a proposal from the Commission to revise the Regulation.

7. 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.

7. 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.
- On 30 August 2024, new amendments were adopted to align the MRV Regulation with the EU ETS (see ETS slides).

7. MRV Regulation (monitoring, reporting and verification)

Latest developments:

- The Commission is still 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](#) since 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.
- On 16 October 2024, the Commission adopted its delegated act establishing rules for monitoring greenhouse gas emissions from offshore ships and the zero-rating of sustainable fuels. The new rules will fully apply from 1 January 2025:
 - Offshore ships are required to account for greenhouse gas emissions during:
 - Voyages between ports under the jurisdiction of an EU Member State.
 - Activities within ports under EU jurisdiction.
 - The rules apply to various types of offshore service vessels, excluding icebreakers, such as: anchor handling tugs, offshore supply ships, crew/supply vessels, drilling ships, production and storage ships, pipe carriers, accommodation ships, wind turbine installation vessels, dredgers, and others listed (from (a) to (ae)).
 - Companies using Renewable Fuels of Non-Biological Origin (RFNBO), Recycled Carbon Fuel (RCF), or synthetic low-carbon fuel are exempt from applying standard CO2 emission factor rules. Instead, emission factors for these fuels must follow Implementing Regulation (EU) 2018/2066.

7. MRV Regulation (monitoring, reporting and verification)

Next steps:

- The Commission should review the MRV Regulation in the upcoming months, as it was initially excepted for the end of 2024, assessing the text's effectiveness, compliance, and impact on the relevant stakeholders.

8. Carcinogens and Mutagens Directive (CMD)

Background (I):

- Directive [2004/37/EC](#) on the protection of workers from the risks related to exposure to carcinogens or mutagens at work:
 - Sets EU rules on the minimum requirements for protecting workers against risks to their health and safety arising from exposure to carcinogens and mutagens at work, and rules on the prevention of such risks.
 - It was amended in 2022 to also include reprotoxic substances (therefore becoming the Carcinogens, Mutagens and Reprotoxic substances Directive, CMRD).
 - It covers the substances, mixtures or processes referred to in Annex I.
 - It lays down Occupational Exposure Limits (OELs) for substances. These are listed in Annex III.
 - Employers must reduce the use of carcinogens, mutagens and reprotoxic substances at work, and must limit the number of workers exposed.
 - Employers must carry out risk assessments to determine the nature, degree and duration of workers' exposure on a regular basis (the information used for making the risk assessment, as well as other information, must be supplied to authorities if requested).
 - When unforeseeable incidents may lead to abnormal exposure, employers must inform workers accordingly.
 - Employers must take certain measures on hygiene, personal protection, and information and training of workers.
- The CMD is subject to a process of continuous revision to set new or revised Occupational Exposure Limits (OELs) for priority substances.

8. Carcinogens and Mutagens Directive (CMD)

Background (II):

- The sixth amendment of the occupational exposure limits (OELs) in the CMD will include five substances: welding fumes, PAHs, isoprene, cobalt, and 1,4-Dioxane. On 22 September 2023, the Commission's Advisory Committee on Health and Safety at Work (ACSH) adopted its [Opinions](#) on the five substances, proposing potential Binding Occupational Exposure Limits (BOELs), Biological Limit Values (BLVs) and Short-Term Exposure Limits (STELs). Based on these Opinions, the Commission will decide whether and how to integrate these substances in a proposal for a Regulation amending the CMD for the sixth time.
- The seventh amendment of the OELs in the CMD could cover any of the substances listed in the Staff Working Document [SWD\(2022\) 438](#) (either adding new substances to the scope of the CMD or revising OELs for already listed substances). Several substances are being assessed by the European Chemicals Agency (ECHA) for potential inclusion in the CMD.
- On 6 March, a group of Member States submitted a [statement](#) calling on the Commission for an acceleration of the process of revising or setting new limit values, including by increasing the capacity of preparing scientific opinions for chemicals. The referred countries are Cyprus, Czechia, Denmark, Finland, France, Germany, Italy, Lithuania, Luxemburg, the Netherlands, Portugal, Slovenia, Spain and Sweden.

8. Carcinogens and Mutagens Directive (CMD)

Latest developments:

- The European Chemicals Agency's Committee for Risk Assessment (RAC) has evaluated occupational exposure limits (OELs) for 1,3-butadiene (1,3-BD), a chemical widely used in synthetic rubber production. Key conclusions include:
 - 1,3-BD is a potent carcinogen classified as "carcinogenic to humans", particularly linked to cancers of the haematolymphatic system, such as leukemia.
 - Since 1,3-BD poses cancer risks at any level of exposure, **no health-based OEL can be established.**
 - Instead of setting a traditional OEL, RAC proposed an **exposure-risk relationship (ERR)** to quantify risks: A concentration of 0.065 ppm in workplace air corresponds to an excess lifetime cancer risk of 4 cases per 100,000 workers over 40 years. This model allows risk management based on calculated acceptable exposure levels rather than fixed limits.
- RAC recommends:
 - Measuring specific urinary biomarkers (e.g., DHBMA, MHBMA) to assess exposure levels in workers, especially in industries involving synthetic rubber or where compounds like chloroprene are present.
 - A Biological Limit Values was not proposed due to variability in baseline data and external factors like smoking.

8. Carcinogens and Mutagens Directive (CMD)

Next steps:

- The sixth amendment of the CMD (covering welding fumes, PAHs, isoprene, cobalt, and 1,4-Dioxane) was expected to be proposed by the Commission by the end of 2024 and should therefore be presented in the upcoming months .
- The seventh amendment of the CMD is expected to be proposed in the coming years, once all potential substances are assessed by the ECHA and by the Commission's Advisory Committee on Health and Safety at Work (ACSH). The substances that are currently in the pipeline are: respirable crystalline silica, 1,2,3-trichloropropane, 1,2-dichloropropane, 2,3-epoxypropyl methacrylate (glycidyl methacrylate), 2-chloro-1,3-butadiene (chloroprene), nitrosamines, 4,4-isopropylidenediphenol (bisphenol A), 1,3-butadiene, 1,2-dihydroxybenzene (pyrocatechol), boron and its compounds, and silicon carbide fibres.

9. Hydrogen Bank

Background (I):

- The EU strategy on hydrogen ([COM/2020/301](#)) aims to increase the production of renewable hydrogen in the EU.
- On 16 March 2023, the Commission released the Communication on a European Hydrogen Bank ([COM/2023/156](#)) as part of this strategy. It aims to unlock private investment in the development of renewable hydrogen market and to cover cost gap between fossil fuels and renewables:
 - 1 – Creating an EU hydrogen domestic market through new financing mechanisms:
 - Fixed premium auctions under the Innovation Fund, starting in autumn 2023.
 - EU Auction Platform to also allow participation of Member States.
 - 2 – Supporting international hydrogen production and imports to the EU. The Commission would assess possible sources of funding to cover cost gap for third country producers, and possible auction scheme.
 - 3 – Coordination and transparency on hydrogen flows, transactions and prices, coordinated by the Commission.
 - 4 – Coordination with existing project financing instruments (InvestEU, cohesion policy, Horizon Europe, etc.).
- On 23 November 2023 the Commission launched the first auction under the European Hydrogen Bank:
 - Producers of renewable hydrogen can bid for support in the form of a fixed premium per kilogram of hydrogen produced. The bids should be based on a proposed price premium per kilogram of renewable hydrogen produced, up to a ceiling of 4.5€/kg.
 - The premium is intended to bridge the gap between the price of production and the price consumers are currently willing to pay, in a market where non-renewable hydrogen is still cheaper to produce.
 - The selected projects will receive the awarded subsidy on top of the market revenues that they generate from hydrogen sales, for up to 10 years. Once projects have signed their grant agreements, they will have to start producing renewable hydrogen within five years.

9. Hydrogen Bank

Background (II):

- The Commission is also offering a new "[Auctions-as-a-service](#)" mechanism under the Hydrogen Bank. This will enable Member States to finance projects which have bid in the auction, but not been selected for Innovation Fund support due to budget limitations. This allows them to award national funding to additional projects on their territory, without the need to run a separate auction at national level.
- On 14 December 2023, the Parliament adopted in plenary its [Resolution](#). It stresses that the European Hydrogen Bank should prioritise the domestic production of renewable hydrogen and its use by hard-to-abate industries and heavy transport, while recognising the transitional role of low-carbon hydrogen and emphasising the need for regional auctions to ensure a geographical balance in renewable hydrogen production across the EU.
- The first round of auctions closed on 8 February 2024 and received 132 bids from 17 European countries. The total support requested far exceeds the currently available budget of €800 million, provided by the Innovation Fund.

9. Hydrogen Bank

Latest developments:

- The second [domestic auction](#) for the production of renewable hydrogen via the Innovation Fund opened on 3 December 2024 with a budget of EUR 1.2 billion:
 - One topic of this second auction is [titled](#) INNOVFUND-2024-AUC-RFNBOH2- MARITIME - Fixed Premium Auction for RFNBO hydrogen production for the maritime sector. Under this topic, activities that can be funded are: installation of new, additional, RFNBO hydrogen production capacity (i.e. hydrogen production capacity for which at the time of the grant application the start of works did not yet take place) as well as the verified and certified production of RFNBO hydrogen²¹ from those installations (in kg of produced volume) for a period of up to 10 years.
 - The bid price per unit is expected to cover the premium required by the producer, i.e. the difference between the expected revenues from the sale of one unit and the unit's levelised cost. (i.e. elements like production, sale, transport, and storage can be priced into the bid).
 - Only projects with a minimum installed capacity of the electrolyser of at least 5 MWe are eligible.
 - Projects under this topic must supply at least 60% of their expected total volume of production as stated in the bid to off-takers belonging to the maritime sector.
 - Projects will have to respect the specific implementation conditions concerning supply to off-takers in the maritime sector, as described in Annex 2. Other compliance requirements are developed in the call details.
- The deadline to submit applications is set on 20 February 2025.

9. Hydrogen Bank

Next steps:

- Evaluation results of the second round will be published in May-June 2025 while the grants award will take place in September-November 2025.

10. 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 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.

10. 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.

10. Green Claims Directive

Latest developments:

- On 4 December 2024, the IMCO and ENVI Committees voted to enter into trilogues with the Council on the proposal.
- The IMCO Committee informed that trilogue negotiations would not take place in December 2024 and would start in 2025.
- The negotiations are expected to begin in late January 2025.

Next steps:

- An official date for the first round of discussions has yet to be announced.
- According to the proposal, once the Directive is published, Member States are expected to have an 18-month transposition period.
- According to the proposal, measures included in the Directive are expected to apply from 24 months after the entry into force of the Directive.

11. 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 to: Align EU law with MARPOL Annexes on sea discharges; Strengthen Member States' capacity to detect, verify, and penalise pollution incidents; Ensure effective, proportionate, and dissuasive penalties for illegal discharges and simplify and improve reporting on ship-source pollution and follow-up actions.
- It includes a robust penalty framework and enhanced enforcement measures while extending the range of regulated polluting substances to those covered under MARPOL Annexes I–V and Exhaust Gas Cleaning System residue.
- On 28 February 2024, the [provisional agreement](#) reached by the Parliament and the Council was published. Key provisions are:
 - Scope: Penalties apply to both individuals and companies responsible for illegal discharges.
 - Infringements: Discharges are treated as offenses unless specific MARPOL 73/78 conditions apply.
 - Penalties: Member States must set fines for breaches, including for liable companies.
 - Enforcement: Inspection procedures and enforcement measures for suspected pollution offenses.
 - Information Sharing: Member States and the Commission will cooperate to exchange data, develop control systems, and provide training.
 - Reporting: An electronic tool will track enforcement actions, inspections, and penalties.
 - Evaluation: The Commission will review the directive within a set timeframe, considering implementation results and scientific updates.

11. Ship-source pollution and penalties for infringements

Latest developments:

- The Parliament first adopted the provisional agreement in the plenary (583 votes in favour, 27 against, 12 abstentions) before the European elections in June, triggering a corrigendum procedure. This procedure implies a revision of the adopted text by the Committee responsible for the proposal (ENVI).
- The corrigendum version of the Directive was approved by the Parliament on 23 October 2024 and the Council formally adopted the Directive on 18 November 2024.
- The Directive was [published](#) in the EU Official Journal on 16 December 2024.

Next steps:

- The Directive will enter into force on 5 January 2025.
- Member States shall adopt and publish, by 6 July 2027, the laws, regulations and administrative provisions necessary to comply with this Directive.

12. 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 \(CMA\)](#).
 - 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.
 - On 18 July 2024, the first High-Level Minerals Security Partnership (MSP) Forum took place, with members agreeing to collaborate on diversifying supply chains and promoting sustainable critical minerals projects.
 - On 16 September 2024, EU and US officials reviewed progress under the EU-US Trade and Technology Council (TTC), focusing on secure digital infrastructure, technology standards like digital identity and plastic recycling, and sustainable trade through the Transatlantic Initiative on Sustainable Trade (TIST), while emphasising stakeholder input.

12. Trade issues

US:

- Latest developments:
 - On 25 September 2024, the EU and US held a technical discussion with transatlantic social partner stakeholders under the Trade and Labour Dialogue (TALD), focusing on eliminating forced labour from supply chains and ensuring a fair, inclusive green transition. The virtual meeting covered joint [recommendations](#) made by EU and US social partners ahead of the TALD's second Ministerial meeting. In response, the EU and US shared updates on their forced labour policies and initiatives, including due diligence requirements, support measures, and cooperation with third countries to promote decent work. They reaffirmed their commitment to eradicating forced labour from global supply chains and exchanging best practices.
 - The meeting also addressed suggestions from the January 2024 [workshop](#) on promoting quality jobs for a just green economy, organised under the Transatlantic Initiative on Sustainable Trade (TIST). The EU and US presented their views on social dialogue, skills development, social protection, labour standards, and upholding labour rights through due diligence and trade tools. They also considered the possibility of holding a dedicated workshop on these topics.
 - Finally, the EU and US emphasised the importance of TALD discussions and the value of transatlantic engagement with business and labour organisations on these critical issues.

12. Trade issues

Mercosur (*agreement finalised*):

- 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.
 - On 6 September 2024, negotiators ended two days of trade negotiations with "significant progress" on contentious issues that have been holding up the long-overdue EU-Mercosur agreement. EU and South American Mercosur trade negotiators met again in Brazil from 7 to 9 October 2024 to continue discussions on a free-trade agreement.

12. Trade issues

Mercosur (*agreement finalised*):

- Latest developments:
 - On 6 December 2024, after over 25 years of negotiations, the Mercosur-EU Free Trade Agreement (FTA) was finalised during a summit in Montevideo, Uruguay. European Commission President Ursula von der Leyen and Brazilian President Luiz Inácio Lula da Silva celebrated the deal, which connects the four Mercosur nations (Argentina, Brazil, Paraguay, and Uruguay) with the 27 EU member states, forming one of the world's largest free-trade zones with a combined GDP of over \$21 trillion.
 - The FTA will gradually reduce tariffs on most goods, benefiting European exports like machinery, vehicles, and chemicals, and Mercosur exports such as minerals and agricultural products. However, certain agricultural products will be subject to quotas, and environmental standards aligned with the Paris Agreement have been included.
 - Before the agreement is signed, both blocs must review and translate the text, then submit it to their respective legislative bodies for ratification. The EU's process requires approval from both the European Parliament and the Council, with some member states, including France and Poland, expressing opposition. If ratified, the FTA will be implemented bilaterally by Mercosur members and may be provisionally applied in the EU. However, the timeline for full implementation remains uncertain.

12. 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 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.

12. Trade issues

Singapore (*negotiations concluded*):

- Latest developments:
 - On 19 November 2024, Singapore and Germany agreed to elevate their bilateral relationship to a "strategic partnership" to promote peace, stability, and prosperity in the Asia-Pacific region. This decision was made following a meeting between Singapore Prime Minister Lawrence Wong and German Chancellor Olaf Scholz at the G20 summit in Rio de Janeiro.
 - The partnership builds on a 2022 joint declaration and will focus on five key areas: defense and security, trade and the digital economy, climate and clean technology, science and innovation, and digitalisation, AI, and cybersecurity. Both countries pledged to strengthen military cooperation, deepen economic ties, and collaborate on green technologies, such as maritime decarbonisation and carbon pricing. They also plan joint research in quantum technology, green chemistry, and medical tech, as well as enhanced educational and cultural exchanges.
 - Additionally, the countries aim to boost EU-ASEAN relations in areas like digital trade and green services. The partnership, which marks the 60th anniversary of diplomatic relations in 2025, will be guided by a joint work plan and regular progress reviews.

12. Trade issues

Japan (negotiations concluded):

- Background:
 - Following 18 rounds of negotiation, the [EU-Japan Economic Partnership Agreement](#) was concluded in December 2017 and entered into force in February 2019. It removed the vast majority of duties paid by EU companies and opened the Japanese market in a range of sectors. It sets high standards of labour, safety, environmental protection, consumer protection and data protection, fully safeguards public services, and has a dedicated chapter on sustainable development. This agreement is the first to include a specific commitment to the Paris Agreement.
 - On 12 May 2023, the EU and Japan launched a [Digital Partnership](#), which establishes an advanced cooperation between the two countries on digital issues.
 - On 30 January 2024, the EU and Japan held the first Working Group to discuss economic security and supply chains. The newly established Working Group is especially relevant in light of the recent publication of the European Economic Security Strategy package ([2024](#)), seeking further synergies with partners on tools such as anti-coercion instruments, export controls and investment screening.
 - On 22 March 2024, the EU announced a [study](#) in support of an ex-post evaluation of the Agreement between EU and Japan for an economic partnership. The notice announces the intention of the contracting authority to publish a future call for tenders.
 - On 2 May 2024, the fifth EU-Japan High Level Economic Dialogue (HLED) announced an [initiative](#) towards stronger collaboration to develop transparent, resilient and sustainable supply chains. This initiative, supported by the EU-Japan Industrial Policy Dialogue and a new task force aims to promote transparency, diversification, security, sustainability, and reliability to tackle climate change, energy security and supply stability. The initiative includes coordinated efforts in procurement, encouraging business transparency and sustainability, and collaborating with like-minded countries.

12. Trade issues

Japan (*negotiations concluded*):

- Latest developments:
 - In July 2024, during the fifth meeting of the EU-Japan Economic Partnership Agreement (EPA) Joint Committee, co-chaired by European Commission Executive Vice-President Valdis Dombrovskis and Japanese Minister of Foreign Affairs Yoko Kamikawa, both sides highlighted the growing strength of their bilateral trade and investment relations. They emphasised the strategic importance of the EPA, particularly amid global challenges to rules-based trade.
 - Progress since the last meeting includes the introduction of provisions for the free flow of data and the addition of 48 new Geographical Indications (GIs), bringing the total to 423. As a reminder, GIs are labels used on products that have a specific geographical origin and possess qualities, reputation, or characteristics inherent to that location. GIs help distinguish products based on their unique attributes tied to a particular region or place.
 - Both sides discussed improving market access and praised their cooperation on offshore wind power. They also addressed economic security, noting close collaboration on resilient supply chains and the importance of the G7 and WTO in supporting a fair global trade system.
 - The progress on the WTO E-commerce Joint Statement Initiative was also welcomed.

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