

**Brief**  
On  
**Summary of developments**  
**In the EU and the EU Fit for 55 policy package**

**July-September 2024**

## EU Commission Elections

Ursula von der Leyen has been re-elected as President of the European Commission, receiving support from the European People's Party (EPP), the Progressive Alliance of Socialists and Democrats (S&D), Renew Europe (liberals), and the Greens.

### *Ursula von der Leyen's Climate and Environmental Priorities*

- **Legally Binding Emission-Reduction Target:** A target of 90% emission reduction by 2040 will be incorporated into the European Climate Law.
- **Industrial Strategy:** The European Green Deal will be translated into an industrial strategy, featuring:
  - An **Industrial Decarbonisation Accelerator Act** to assist industries in their transition.
  - Enhanced investments in clean energy, including renewables, low-carbon technologies, and hydrogen infrastructure.

For detailed political guidelines, refer to [here](#).

### *New EU Commissioners and Their Priorities*

The proposed new College of Commissioners has been announced, including:

- Apostolos Tzitzikostas (Greece): Sustainable Transport and Tourism.
- Wopke Hoekstra (Netherlands): Climate, Net-Zero, and Clean Growth.
- Jessika Roswall (Sweden): Environment, Water Resilience, and Competitive Circular Economy.

Key Priorities:

- **Transport Strategy:** Apostolos Tzitzikostas will develop a Maritime Industrial Strategy to enhance competitiveness and sustainability.
- **Clean Growth:** Wopke Hoekstra will focus on the 90% emissions reduction target and advancing the Clean Industrial Deal.

Environmental priorities span various portfolios, focusing on transport decarbonization, clean technology, and environmental enforcement.

## DRAGHI REPORT

### *Draghi Report Highlights*

Published on September 9, the Draghi report emphasizes:

- **Global Leadership in Shipping:** Advocates for a supportive regulatory framework for European shipping.
- **Decarbonization Investment Needs:** Estimated annual investment of EUR 40 billion from 2031 to 2050 for maritime decarbonization.
- **Focus on Clean Fuels:** Prioritizes the scaling of clean fuel production and innovative technologies.

- **Upskilling Needs:** Projects significant upskilling and reskilling requirements for seafarers over the next decade.

**Key Points on ETS Revenues and Investment Needs:**

- An annual EUR 39 billion is needed for maritime decarbonization.
- The EU ETS will allocate 20 million allowances for the sector until 2030.
- Proposals include de-risking investments and expanding funding mechanisms.

For more details, see the [full report](#).

**EU ETS**

Background

On 1 January 2024, the EU extended the coverage of its ETS to incorporate the maritime sector, as part of the broader EU ETS reform that came into force in June 2023.

Summary of developments

- Guidance Documents: DG CLIMA published guidance for shipping companies and monitoring plan approvals.
- Webinar: A webinar on EU ETS auction participation was held on September 5, providing insights into the auction process.

More information

More information including the draft text in our circular:

- *Ref : 0718 - F/TC > (EU REGULATION) EU ETS & MRV - Guidance published*

**INNOVATION FUND**

Background

The European Commission, through the Innovation Fund established last year, has already invited several rounds of applications for financing out of revenues from the European Emissions Trading System (EU ETS).

Summary of developments

**Second Innovation Fund Auction for renewable hydrogen production**

The Commission plans to launch the second Innovation Fund Auction for renewable hydrogen production at the beginning of December.

- The auction will feature a dedicated budget for maritime projects, marking the maritime sector as the only one with a dedicated envelope.

**Key Elements for the Maritime Sector**

- Projects must demonstrate 60% production for maritime use.
- The auction will support renewable hydrogen production from water electrolysis

**FUEL EU MARITIME**

Background

FuelEU Maritime Regulation will apply from 1 January 2025 and promotes the use of renewable and low-carbon fuels in maritime transport for ships above 5000 GT, intra-EU traffic + 50% international, EU ports (same as for ETS).

Summary of Developments

### **Reporting of the Emissions EU ETS & FUEL EU:**

Much of the information of EU ETS and FUEL EU Maritime will be common and will only need to be reported once in THETIS FuelEU Database ecosystem reducing the administrative burden.

- The FuelEU Maritime Monitor Plan includes some additional Data (e.g. calculation of compliance balance, recording of penalties, exchange and notifications between user groups).

### **Deadline to submit the FuelEU Maritime Monitoring Plans**

The deadline for submitting FuelEU Maritime Monitoring Plans was set for August 31, with the Commission offering flexibility for late submissions.

- The FuelEU Maritime Regulation does not include any penalties or other consequences for MPs submitted after 31 August.
- Therefore, the Commission will not take any measures in the event of delayed submissions.

### **Publication of Implementing Acts on FuelEU Maritime Monitoring Plans and Verification Activities**

The Implementing Acts on the FuelEU Maritime Monitoring Plan and Verification Activities have been published in the Official Journal of the European Union.

- The Implementing Act on the Monitoring Plans establishes the specifications and reporting obligations to ensure uniform interpretation of companies' monitoring and reporting under FuelEU Maritime.
- The secondary legal act on Verification Activities for FuelEU Maritime specifies standard procedures to be followed by verifiers operating under FuelEU Maritime

### **Publication of the Q&As on the FuelEU Maritime Regulation**

The Q&As on the FuelEU Maritime Regulation has been published by the Commission

### **EMSA webinar on Fuel EU Monitoring Plans**

EMSA webinar on Fuel EU Monitoring Plans was held on 23 July. The EMSA webinar on Fuel EU Monitoring Plans recording is available [here](#).

### More information

More information available in our circulars:

- *Ref: 0709 - F/TC > (EU REGULATION) FUEL EU - DG MOVE\_EMSA webinar on the FuelEU Maritime Monitoring Plan on 23rd July 2024*
- *0722 - F/TC > (EU REGULATION) FuelEU Maritime-Publication of the Questions and Answers on Regulation (EU) 2023/1805*
- *Ref 0726 - F/TC > (EU REGULATION) FuelEU Maritime-Update: Deadline to submit the FuelEU Maritime Monitoring Plans*
- *Ref: 0729 - F/TC > (EU REGULATION) FuelEU Maritime-Publication of Implementing Acts on Monitoring Plans and Verification Activities*
- *Ref: 0819 - F/TC > (EU REGULATION) FuelEU Maritime-Update on the submission of the FuelEU Maritime Monitoring Plans*

### Next Steps

- Implementing and Delegated Acts are expected covering OPS, updates to Annex II, RFNBOs, Zero Emission Technologies, Governance, and FuelEU database, amongst others.

## **SUBSTITUTION OF CHEMICAL SUBSTANCE USED IN ANTI-FOULING PAINTS**

### Background

Within the framework of the classification of chemical substances, ECHA wants **to ban the use of ZnPT (Zinc Pyrithione)**. This substance is found in the colours used, amongst others, for anti-fouling paints on ships (Product Type 21 - PT21).

- Currently, there are no sufficiently efficient alternatives to ZnPT for many PT-21 applications. Alternatives often lack the technical efficacy and economic efficiency of ZnPT

### Summary of Developments

ZnPT is undergoing the approval process at EU level following the dossier submission by co-Applicants Arxada & Janssen PMP to eCA Sweden (KEMI) for several product types (incl. PT-6, PT-7, PT-9 & PT-21). Due to its CLP classification, it is eligible to be re-approved under the derogation criteria of the Biocidal Products Regulation, but this needs a positive opinion from the Biocidal Product Committee chaired by the European Chemicals Agency (ECHA).

### ***Consultation on the substitution of a chemical substance used in anti-fouling paints (Zinc Pyrithione “ZnPT”).***

The European Chemicals Agency (ECHA) has opened a consultation regarding the ban on Zinc Pyrithione (ZnPT), a key substance in anti-fouling paints. The consultation seeks feedback on its critical role in preventing biofouling.

### ***Industry highlights the critical role of Zinc Pyrithione (ZnPT) in antifouling coatings for marine vessels***

The European Platform for Plastic Additives (EPPA) has collectively engaged with the industry to emphasize the critical role of Zinc Pyrithione (ZnPT) for specific applications, particularly in antifouling coatings for marine vessels highlighting several key points:

- **Essential Role of ZnPT:** Crucial for applications like antifouling coatings, offering unmatched biofouling prevention and long-lasting protection.
- **Impact of Non-Approval:** Lack of viable alternatives could lead to significant operational disruptions, increased costs, and reduced performance and potential market disruptions may result in higher prices, shortages, and economic challenges, especially for SMEs.
- **Socio-Economic Considerations:** ZnPT supports industry stability, economic growth, and environmental protection.
- **Commitment to Safety:** Acknowledgment of the need for safety and environmental standards, advocating for the responsible use of ZnPT under regulatory conditions.
- **Collaboration Offer:** EPPA expresses willingness to collaborate with authorities to ensure ZnPT remains available while meeting regulatory requirements.

## **SUSTAINABILITY CERTIFICATION FOR MARINE BUNKER FUELS (ETS & FUEL EU)**

### Background

Sustainability certification of marine bunker fuels will be crucial in the implementation of the EU ETS and FuelEU maritime.

- Both FuelEU Maritime and ETS extension to maritime **require a demonstration of RED-certification for biofuels and renewable synthetic fuels used onboard ships.**
- Despite indicating that sustainable marine bunker fuels must be RED-certified, both FuelEU and MRV/ETS do not specify the process for demonstration of compliance of the sustainable fuels used onboard to MRV/ETS/FuelEU Verifiers.
- The end-goal objective, under both scopes of FuelEU and MRV/ETS is to ensure that the Verifiers responsible for the assessment of compliance under both FuelEU and MRV/ETS – receive robust reassuring evidence of RED-compliance of marine bunker fuels.

### Summary of Developments

On 25 June, DG MOVE, DG CLIMA and DG ENER organised a workshop on “Demonstration of Sustainability Certification for Marine Bunker Fuels”.

### Next Steps

- Guidelines for demonstration of sustainability certification of marine bunker fuels in order that all International Certification companies will be able to follow them
- ETS General Guidance is under development

#### More information

More details are available in our circular:

- *Ref:1008 - F/TC > (EU REGULATION)- ETS, FuelEU & RED: Sustainability certification for marine bunker fuels*

#### NET ZERO INDUSTRY ACT (NZIA)

Net-Zero Industry Act has been adopted.

#### WASTE SHIPMENT REGULATION

EU waste shipment regulation was published and entered into force on 20 May 2024.

#### ALTERNATIVE FUELS INFRASTRUCTURE REGULATION (AFIR)

The Alternative Fuels Infrastructure Regulation (AFIR) came into force on 13 April 2024.

#### OTHER

##### ***EU Ship Recycling Regulation***

The European Commission, is progressing with the ongoing study on the EU Ship Recycling Regulation. However, they have been asked to incorporate additional data into the study, which is unfortunately causing a further delay to the long-awaited evaluation report expected to be adopted in November.

##### ***Turkey to implement its own emissions trading scheme for shipping***

Turkey's parliament has approved a carbon pricing mechanism for its shipping sector, marking a significant step toward taxing emissions from commercial ships entering and leaving Turkish ports. This law, published on July 9, will regulate over 10 million tons of CO2 emissions annually. The presidency is expected to issue detailed regulations on ship types, emission fees, and monitoring processes. The policy aligns with Turkey's broader plan to establish an Emissions Trading Scheme (ETS), in line with the EU's carbon market and the Carbon Border Adjustment Mechanism (CBAM), particularly in response to increased EU container traffic through Turkish ports.

Key Points:

- **Carbon Pricing Mechanism:** Turkey will tax CO2 emissions from ships using its seaports, impacting over 10 million tons of CO2 annually.
- **Law Details:** Published on July 9, with regulations pending from the presidency to define ship types, tonnage, fee rates, and emission monitoring processes.
- **Link to EU Policies:** The ETS aligns with the EU's carbon market and aims to close potential loopholes where ships could bypass the EU carbon tax by transshipping through Turkish ports.
- **Growing Traffic:** Turkish container transshipment traffic has surged by 54%, with EU countries accounting for 28% of the volume, raising concerns of carbon tax avoidance.
- **Broader ETS:** The move is part of Turkey's Climate Change Mitigation Strategy (2024-2030), aiming for broader carbon market integration.

*Source: Published Jul 28, The Maritime Executive*