Common - Follow-up action on Post Paris agreement relevant to aviation and maritime/Maritime issues - Internal regulation on gas emissions: The European Parliament votes in favour of amendments to MRV rules and inclusion of maritime transport into the EU-ETS

Andrea Antolini  Former Researcher JTTRI

【概要：Summary】
In 2017, the EU decided to keep international shipping excluded from the EU-ETS and to delay any decision until 2023, when the International Maritime Organisation (IMO) should have adopted its global decarbonisation measures. However, since the EU intends to meet the Paris Agreement’s target and aims at reaching the European Green Deal’s target of zero net GHG emissions by 2050, the EU might have to act on the maritime transport’s GHG emissions.

Based on the regulation on the monitoring, reporting and verification of CO₂ emissions from maritime transport (Regulation (EU) 2015/757), large ships of over 5000 gross tonnage arriving to or departing from ports in the European Economic Area (EEA) have to monitor and report their CO₂ emissions, fuel consumption and other parameters since 1 January 2018. In 2019, the European Commission presented a proposal to amend Regulation (EU) 2015/757 on the MRV of CO₂ emissions from maritime transport (COM (2019) 38 final) in order to align it with the IMO Data Collection System (DCS). In the decision-making process on the amendment proposal for Regulation (EU) 2015/757, the European Parliament Environment, Public Health and Food Safety Committee (ENVI)’s rapporteur suggested to include maritime transport into the EU-ETS. This step is considered being necessary, since the IMO’s agreement on an initial strategy to reduce GHG emissions from international shipping seems insufficient to significantly reduce the sector’s GHG emissions.

On 16 September 2020, the European Parliament voted in favour of including the maritime transport into the EU-ETS. The European Parliament, Council and Commission can now start their trilogue negotiations on the final amendments to the proposal COM (2019) 38 final. Depending on the outcome of these negotiations, the inclusion of maritime transport into the EU-ETS will become reality.

【記事：Article】
1. Background

Although shipping is considered being by far the most carbon-efficient form of commercial transport, the size and global nature of maritime shipping
makes it necessary to reduce its environmental impact. At global level, maritime transport is responsible for about 2.5% of GHG emissions and in the EU, the shipping industry has a share of about 3.7% of the EU’s total CO₂ emissions. In order to ensure that the shipping industry will contribute its fair share to reach the Paris Agreement target, the IMO’s Marine Environment Protection Committee (MEPC) 72 agreed in April 2018 to an initial strategy to reduce GHG emissions from international shipping. The GHG emissions should decrease as soon as possible, and reach an at least 50% reduction by 2050, compared to 2008 level. However, due to the IMO’s slow progress, the EU introduced the monitoring, reporting and verification of CO₂ emissions from maritime transport (Regulation 2015/757) already in 1 July 2015. Since 1 January 2018, ships above 5,000 gross tonnage have to monitor, report and verify their CO₂ emissions. However, based on the decision at IMO, the EU’s Regulation (EU) 2015/757 needs to be amended. Also the European Green Deal of December 2019 with its objective to achieving climate-neutrality by 2050 required an amendment of Regulation (EU) 2015/757 and further action on reducing GHG emissions from shipping. Meanwhile, the European Commission proposed to increase the EU’s ambition on reducing GHG emissions to at least 55% below 1990 levels by 2030. The Communication “Stepping up Europe’s 2030 climate Ambition. Investing in a climate-neutral future for the benefit of our people” of 17.9.2020, COM (2020) 562 final, represents a substantial increase in the 2030 GHG emission reduction target to 55% compared to the existing previous target of a reduction of at least 40% by 2030. The Commission will start preparing detailed legislative proposals and review and revise necessary legislation to achieve this 2030 target by June 2021.

Meanwhile, the European Parliament ENVI Committee’s rapporteur MEP Jutta Paulus presented amendments to the proposed new regulation (COM (2019) 38 final). In order to transpose the IMO’s global data collection system for ship fuel oil consumption data into EU law and in order to reaching the European Green Deal’s climate neutrality as soon as possible, the EU MRV Regulation (EU) 2015/757 will be amended. Rapporteur Paulus also supported an inclusion of the maritime transport sector’s GHG emissions in the EU-ETS. Furthermore, a “Maritime Transport Decarbonisation Fund” should be established from revenues generated from the auctioning of maritime allowances under the EU-ETS to support investments into the decarbonisation of maritime transport.

2. The ENVI’s amendments to reduce GHG emissions from the shipping sector

In general, the EU supports the IMO’s efforts to address GHG emissions from international shipping and the initial strategy to limiting global shipping GHG emissions, as well as the IMO Data Collection System (DCS). Article 22 of Regulation (EU) 2015/757 anticipates the necessity of amending the Regulation after the introduction of the IMO’s measures, in order to ensure alignment of the EU’s regulation with the international agreement. Accordingly, on 4 February 2019, the European Commission proposed to amend Regulation (EU) 2015/757 in its proposal COM (2019) 38 final. The aim was to take appropriate account of the IMO’s Data Collection System (DCS) legal framework for a global data collection system for fuel oil consumption of ships. In fact meanwhile, the IMO’s system entered into force on 1 January 2019, including the collection of fuel consumption data. Therefore, ships calling into EEA ports have now to report under both, the EU MRV Regulation and the IMO Data Collection System ("global IMO DCS").

In order to align the EU MRV Regulation with the global IMO DCS, the proposed new regulation (COM (2019) 38 final) intends to transpose the IMO’s global data collection system for ship fuel oil consumption data into EU law. However, in the course of the preparation the amendment, the European Parliament’s ENVI Committee rapporteur MEP Jutta
Paulus also called for introducing GHG emissions reduction measures into the legislation. On 24 January 2020, the European Parliament’s ENVI Committee’s rapporteur Jutta Paulus submitted the “Draft Report on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 2015/757 in order to take appropriate account of the global data collection system for ship fuel oil consumption data” (COM(2019)0038 - C8-0034/2019 - 2019/0017(COD)), (ENVI_PR(2020)646870). According to Paulus, the maritime emissions are expected to increase by 86% above 1990 levels by 2050 unless further action is taken. Therefore, Paulus proposes 34 amendments including the broadening of the scope of the EU-ETS to including maritime transport. The rapporteur explicitly supports this inclusion of the maritime transport unto the EU-ETS. In line with the ‘polluter pays’ principle, Paulus also suggested the establishment of a maritime transport decarbonisation fund to foster research and development in the energy efficiency of ships and the support investments in innovative technologies and infrastructure to decarbonise maritime transport, among others. The rapporteur also proposed that the European Commission sets by 1 December 2020 the total quantity of allowances for the maritime industry, in line with other sectors, the method of their allocation through auctioning, and the special provisions for the EU Member States that will be administering them. Furthermore, the rapporteur would like to see an extension of the scope to all GHG, not only CO₂ emissions.

During the Committee’s 6-7 July 2020 meeting, the ENVI Committee voted in favour of extending the EU-ETS to cover maritime transport, with 62 votes for and 3 against and also called for binding targets for shipping companies to reduce the annual average CO₂ emissions of all ships when in operation. The ENVI Committee also voted in favour of creating an “Ocean Fund” from 2023 until 2030, financed by revenues from auctioning allowances under the EU-ETS, to make ships more energy-efficient. The ENVI Committee’s MEPs underlined the importance to bring the EU MRV in line with the IMO DCS, but they also noticed an insufficient progress in the IMO measures. Therefore, they voted in favour of the inclusion of the maritime transport in the EU-ETS.

3. European Parliament votes on the amendments to Regulation (EU) 2015/757 and inclusion of the shipping sector into the EU-ETS

The vote on the proposal for a Regulation amending Regulation (EU) 2015/757 to take appropriate account of the global data collection system for ship fuel oil consumption data (COM (2019) 0038) in the European Parliament’s plenary took place on 16 September 2020. The European Parliament adopted its position on the Commission’s proposal to revise the EU MRV Regulation with 520 votes to 94 and 77 abstentions. Already before this vote, the European Parliament had supported a change in the policy to reduce the GHG emissions in maritime transport. In its Resolution of 14 March 2019 on climate change, the MEPs supported by a large majority the objective of reaching climate neutrality as early as possible and by 2050 at the latest. The European Parliament has also repeatedly called on the Commission and the Member States to increase the binding Union 2030 target of reducing GHG emissions to 55% compared to 1990 levels and also noted that all sectors of the economy, including maritime transport, must contribute to the reduction of GHG emissions if the EU wants to reach its climate targets. The European Parliament’s declaration of a climate and environment emergency on 28 November 2019 also underlined the need for additional actions in light of the slow and insufficient progress made by IMO. Therefore, unsurprisingly, on 16 September 2029, the majority of MEPs agreed that reporting obligations by the EU and the IMO should be aligned. However, due to the IMO’s insufficient progress on setting ambitious targets to reduce GHG emissions, the MEPs want to include maritime transport into the
EU-ETS, with ships of 5000 gross tonnage and above. Furthermore, the MEPs also noted that market-based GHG emissions reduction policies are not enough and request that shipping companies reduce their annual average CO₂ emissions per transport unit for all their ships by at least 40% by 2030. Furthermore, the data collected under the EU MRV Regulation should be used to foster the transition towards zero-emissions ships through the establishment of an energy efficiency certificate for ships, with a rating scale, to enable a transparent comparison of ships, especially for sale or rent, and to encourage Member States to promote best practices and support the most efficient ships. The Commission should develop a European shipping label in cooperation with ship-owners. Such a label would support the environmental and energy transition of the shipping sector by providing a reliable and transparent way of informing customers about voluntary initiatives. It would encourage consumers to purchase products transported by ship-owners that have reduced their environmental impact, regarding GHG and pollutant emissions, noise pollution, waste and water management.

In line with the objectives of the European Green Deal, the EU should accompany the decarbonisation of the maritime sector with a strategic approach of EU ports to support their role as facilitator of the energy transition. The Member States should be encouraged to stimulate the development of zero-emission ports and invest in refuelling and recharging infrastructures of alternative fuels and electricity. Moreover, the EP also voted in favour of an amendment that supports the reduction of other air pollutants from maritime transport, such as sulphur oxide (SOx), nitrogen oxide (NOx), particulate matter (PM), ozone depleting substances (ODS) and volatile organic compounds (VOC). The Commission should review the relevant legislation by June 2021 and make concrete proposals to address the problem of air pollution emissions from maritime transport including the extension of Sulphur Emission Control Areas (SECA) and NOx Emission Control Areas (NECA) in all European seas.

In the transition to climate neutral shipping, ports can have a significant role in the decarbonisation of maritime transport. The Commission should develop measures to regulate the access of the most polluting ships to EU ports and to oblige docked fossil-fuel ships to use shore-side electricity or alternative zero-emission options. The MEPs also voted in favour of an “Ocean Fund” for the period from 2022 to 2030, financed by revenues from auctioning allowances under the EU-ETS, to make ships more energy-efficient and to support investment in innovative technologies and infrastructure, such as alternative fuel and green ports. 20% of the revenues under the Fund should be used to contribute to protecting, restoring and efficiently managing marine ecosystems impacted by global warming.

4. Conclusion

The proposed revision of Regulation (EU) 2015/757 aims to align the EU regulation with the IMO DCS, while preserving at the same time the objectives of the current EU legislation. The Parliament has also called for the introduction of an “Ocean Fund” for the 2022-2030 period in order to finance measures to make ships more energy-efficient and to support investment in alternative fuels and green ports. Since the European Parliament’s Plenary has adopted the amendments, the trilogue negotiations with the EU Member States in the Council and the Commission can begin in order to decide on the final changes to the proposed regulation COM (2019) 38 final. Depending on the result of these negotiations, maritime transport will be included into the EU-ETS for reducing the GHG emissions from maritime transport. Since the European Parliament has voted in favour of the inclusion of maritime transport in the EU-ETS and since the European Commission is also supporting the inclusion of at least intra-EU maritime transport in the EU-ETS, as
confirmed in its Communication COM (2020) 562 final, “Stepping up Europe’s 2030 climate ambition”, the realisation of this step becomes more probable.

References:
European Parliament: AT A GLANCE Plenary - September 2020 EPFRS | European Parliamentary Research
ServiceAuthor: Gregor Erbach, Members’ Research Service PE 652.054 - September 2020. Reducing CO₂ emissions of maritime transport


