

Maritime Issues - Environmental issues: The European stakeholders in maritime transport present position papers on the European Green Deal

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【概要 : Summary】

International shipping is responsible for about 3% of global GHG emissions. This share is increasing, as global trade continues to grow. The shipping industry is committed to mitigating its GHG emissions, under the International Maritime Organisation (IMO)'s initial GHG strategy, which includes a target to cut total GHG emissions from international shipping by at least 50% by 2050 (compared to 2008).

However, since the EU plans to become carbon neutral by 2050 under its "European Green Deal", the EU institutions are preparing legislation in order to also include the shipping industry into the EU-ETS.

The European ports and maritime associations welcome the EU's target to establish the world's first net-zero emission area by 2050. However, a shift to low- or zero-emission maritime transport will require significant changes throughout the maritime sector and its supply chain, from fuel-producers to the crew, suppliers, and the ports. At the European Shipping Week in February 2020, the EU stakeholders in maritime transport welcomed the European Green Deal. However, they have issued a position paper with their more elaborated ideas regarding the maritime transport's share to achieve carbon-neutrality by 2050.

The European Community Shipowners' Associations

(ECSCA) has defined eight topics the EU should take action on together with the shipping industry. This includes taking the lead in the international regulatory process, incentivize the modal shift from roads and air to ferries and short sea shipping, to accelerate R&D to make the EU a frontrunner in low- and zero-carbon technologies, to optimise port calls, to establish shore power and infrastructure for alternative fuels, establishing a green financing program for the electrification of ferries, to utilise the offshore potential for renewable energy and to introduce digitalization.

The associations and maritime transport stakeholders believe that any European proposal like the inclusion of maritime transport into the EU-ETS, a levy or an innovation fund must be thoroughly examined in view of safeguarding the competitiveness of the EU shipping sector. Given the international nature of the shipping sector, the EU should increase its pressure on the IMO to implement meaningful GHG emission reduction measures by 2023.

【記事 : Article】

1. The European Green Deal

On 11 December 2019, the European Commission presented the Communication on the so-called "European Green Deal" (COM (2019) 640 final),

which aims at achieving net-zero GHG emissions in the EU by 2050. Previously, the EU committed to reducing its emissions to 40% below 1990 levels by 2030 and set no definite goal for 2050. From now on, all EU actions and policies will have to contribute to the European Green Deal objectives. The European Green Deal's new growth strategy aims at transforming the EU into a resource-efficient and competitive economy without net GHG emissions in 2050. The European Green Deal raises the 2030 target to 50% GHG emission reductions and sets the 2050 target at a 100% reduction of GHG emissions in order to achieve the net-zero emission target.

Based on scientific evidence as demonstrated by the EEA's SOER 2019 report, among others, the European Green Deal's measures might also include an extension of the EU-ETS to road transport, the shipping industry's and buildings' GHG emissions. By summer 2020, the Commission will present an impact assessed plan to further reduce the EU's GHG emissions. In order to deliver these additional GHG emissions reductions, by June 2021, the Commission will review all relevant climate-related policies, including "A Clean Planet for all - A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy" (COM (2018) 773) and propose revisions where necessary.

2. Extension of the EU-ETS to the maritime sector

The shipping industry is committed to mitigating its GHG emissions, in line with the International Maritime Organisation (IMO)'s initial IMO GHG strategy agreed in 2018. The IMO Strategy includes a target to cut total GHG emissions from international shipping by at least 50% by 2050 (compared to 2008) regardless of maritime trade growth. The IMO Strategy also includes the development of a global market-based measure to help deliver the agreed targets. The strategy will be further revised in 2023 to achieve full decarbonisation for international shipping as quickly as possible. However, the relatively slow response and progress

by the IMO on the GHG emission problem of global shipping is triggering the EU to take action, especially when considering the Green Deal target of net-zero GHG emissions by 2050. The inclusion of the shipping industry in the European Green Deal is expected to accelerate solutions for controlling and limiting emissions, within the EU. The Green Deal intends to extend the EU-ETS to the maritime sector and reduce free allowances for airlines by 2021. Regarding maritime transport, the Commission will also take action in relation to access of the most polluting ships to EU ports and to oblige docked ships to use shore-side electricity.

Regarding the "zero-emission mobility", the Commission plans to extend the EU-ETS for CO₂ emissions to the maritime sector, but it is still unclear what will be changed, based on the Green Deal communication.

The Green Deal should be used as an opportunity to agree upon a legal framework that promotes a sustainable combination of all transport modes. The EU transport system and infrastructure will have to prepare to support new sustainable mobility services that can reduce congestion and pollution. Finally, the price of transport must reflect the impact it has on the environment and on health. Therefore, fossil-fuel subsidies should end and, in the context of the revision of the Energy Taxation Directive, the Commission will have to look at the current tax exemptions including for aviation and maritime fuels and at how best to close any loopholes.

3. European maritime transport sector presents position papers on the European Green Deal

3.1. Maritime sector considers European Green Deal

Considering the targets of the European Green Deal, and the reduction of GHG emissions by at least 50% by 2030 and to transform the EU's economy to become carbon-neutral by 2050, the maritime transport industry stakeholders have called for realistic targets. There are 15 maritime transport related organisations, representing logistics service

providers, seaport and inland port authorities, shippers, inland waterways, combined transport operators, rail freight operators, port operators and terminal operators, marine equipment manufacturers and shipyards, which have welcomed the European Green Deal. They believe the European Green Deal can be an opportunity for Europe, particularly if it enables EU industries to benefit from a “new growth strategy” that will boost their competitiveness while becoming more sustainable.

However, the success of the Green Deal will depend on the regulatory framework and financial instruments that will be mobilized to support innovation and the implementation of the proposed actions. Legal certainty for private investments as well as a financial stimulation of “first movers” will be important aspects for achieving a success of the European Green Deal. Another factor determining the Green Deal’s success will be the EU’s ability to play a leadership role in convincing non-EU countries to take measures for decarbonising the shipping industry together at global level.

During the European Shipping Week from 17 to 21 February 2020, a forum for EU stakeholders and policy makers in maritime industry, discussed and exchanged on matters related to maritime transport. The shipping associations European Sea Ports Organisation (ESPO) and European Community Shipowners’ Associations (ECSA) organised an event on decarbonisation of shipping on 19 February 2020. At the workshop on “Decarbonising the shipping industry: What’s already happening and how can we help accelerate it?” the associations underlined their appreciation for the Green Deal Communication as a basis for the longer-term strategy to achieve a carbon-neutral transport sector.

ECSA and other organisations launched their respective position paper in response to the EU Green Deal, proposed by the new European Commission. While the EU’s Green Deal includes a plan to include the maritime sector into the EU-ETS, the biggest ship owners and ports associations emphasised the need for a global approach to emissions regulation.

ECSA and ESPO argued that it makes no sense to apply these rules solely in the EU.

3.2. The ECSA’s position paper

The ECSA’s position paper entitled “A Green Deal for the European shipping industry” is the policy response of the industry towards the European Green Deal. The paper welcomes and supports the EU’s ambition and also seeks the EU’s support for a coordinated and holistic approach within the IMO. In direct response to the European Green Deal, the industry lays down its points where the EU can do together with the shipping industry:

At international level, the EU should take a leading role in ensuring that the reduction targets set by the IMO are met. This should be done by influencing the IMO’s regulatory process in a constructive and balanced way.

The ECSA supports the modal shift in transport from roads and air to ferries and short sea shipping and it needs an ambitious strategy. In order to make the EU a frontrunner in low- and zero-carbon technologies, it needs research and development and a EU strategy for a clean and competitive shipping industry must involve all segments of the maritime cluster. ECSA also calls on an optimisation of port calls, and the Commission should include a study on port call optimisation in a maritime strategy for delivery in the shortest possible timeframe. Regarding shore power and infrastructure for alternative fuels, the ECSA encourages the Commission to evaluate the roll out of infrastructure for the delivery of alternative (non-fossil) fuels in key European network ports, including electricity (shore power).

Regarding the establishment of a green financing programme for the electrification of ferries. The Commission should investigate the possibility of creating a programme to finance the electrification of ferries, including the building of infrastructure such as charging facilities at European ports. Furthermore, regarding the use of the offshore potential for renewable energy, ECSA welcomes the

Commission's objective of 450 GW offshore wind power before 2050. It is important for future European competitiveness and the green transition that Europe is ambitious with regard to wind power. The Commission must continue supporting the technology development of wind power including the development of floating wind power. Regarding digitalisation, ECSA welcomes the Commission's proposal to focus more on digitalisation, as increased digitalisation has enormous potential also to reduce emissions from ships and vehicles around seaports.

While ECSA pointed out in its position paper its support for the Green Deal in several aspects, the organisation clearly rejected unilateral action on emissions. Instead, the EU should increase pressure on the IMO to promote global environmental rules and foster the uptake of alternative fuels. According to ECSA's President Claes Berglund, the shipping industry is fully committed to eradicating its GHG emissions completely as soon as possible in this century as in line with the IMO's ambitious targets.

3.3. The ESPO's Roadmap to implement the European Green Deal objectives in ports

The European Sea Ports Organisation (ESPO) expressed a similar position regarding the European Green Deal and on the GHG emissions policy like ECSA. According to ESPO's Roadmap to implement the European Green Deal objectives in ports of February 2020, ESPO welcomes the EU's ambition to be the world's first net-zero emission area by 2050, but "given the international nature of the shipping sector, a global approach is essential if market-based measures are to succeed". ESPO also pointed out that the EU should increase the pressure on the IMO to roll out meaningful measures by 2023. ESPO believes that any European proposals such as a EU-ETS, a levy or an innovation fund must be thoroughly examined in view of safeguarding the competitiveness of the EU port sector.

According to ESPO, the greening of the shipping sector is a priority for European ports and

Europe's ports are committed to playing their part in helping the shipping sector to make this transition. Close cooperation between ports and shipping lines is required, but this cooperation is also largely dependent on decisions of energy producers, energy providers and cargo owners. Furthermore, ESPO underlined that a goal-based and technology neutral approach is needed to ensure the uptake of clean fuels for shipping, support innovation and avoid stranded assets. European ports recognise the importance of LNG as a transition fuel and consider Onshore Power Supply (OPS) as an important part of the solution. Investments in those technologies or alternative solutions should be further encouraged. ESPO also wants the EU Member States to ensure that there are OPS with a priority in TEN-T core ports by the end of 2025, except in circumstances where there is no demand and the costs would be disproportionate to the benefits. Regarding the LNG's role, ESPO pointed out it should be recognised as a transition fuel and certainty is needed about the support for investments made from 2021 to at least 2027. European ports are already investing in LNG and OPS infrastructure, but the implementation of OPS and expansion of the LNG infrastructure is only possible if vessels are also equipped with this technology. ESPO pointed out that a review of the Energy Taxation Directive should support the uptake of all sustainable clean fuels and should also include Onshore Power Supply (OPS) by introducing a permanent tax exemption for all of them. The industry is concerned about possible prescriptive approaches in terms of technologies or solutions in order to ensure an effective and sustainable transition to a carbon neutral transport sector by 2050. Therefore, all technological options as well as alternative fuels should be explored and allowed to compete for reducing emissions across the different transport modes.

However, considering the greening of the EU's ports, not only the transport side needs to be considered. All industry players in the port should have their agendas, goals and plans regarding their pathways to

a more sustainable future. Furthermore, according to ESPO, digitalisation will improve the communication and must be seen as an additional instrument to meet the Green Deal objectives.

Moreover, an extensive support from the Connecting Europe Facility (CEF) is an absolute prerequisite for port investments, especially if there are mandatory provisions on the installation of certain technologies.

4. Conclusion

The EU stakeholders and policy makers in maritime industry support the EU's ambition to become the world's first net-zero emission area by 2050. However, considering the international nature of the shipping sector, in particular the ECSA and ESPO express their position that a global approach is essential if market-based measures are to succeed in the efforts to reduce GHG emissions in the maritime transport sector. Therefore, the EU should increase the pressure on the IMO to roll out meaningful GHG emission reduction measures by 2023. However, it needs to be considered that the EU is not a full member at the IMO, since the IMO's founding convention only allows for the membership of states. Therefore, it will be the EU Member States that have to push together for stricter global emission reduction measures. It can be expected that this is a difficult task, as not all IMO member states follow a strict GHG emission reduction policy and even among EU Member States, the interests to introduce stricter GHG emission reduction measures are mixed.

Nevertheless, the development and uptake of new technologies will be imperative to achieve the European Green Deal ambitions and targets. Significant investments in research and development of innovative technologies will be key also for the maritime industry. A holistic approach to technological innovations, alternative fuels and transport infrastructure will also be key.

All the associations in the maritime industry intend to working closely with the European Commission on a

comprehensive strategy on sustainable and smart mobility along the principles addressed towards achieving a sustainable and competitive maritime transport sector.

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