

COMMISSION DECISION C(2009)3555 of 8 June 2009

Commission decision on the adoption of a work programme in the Environment policy area for 2009 for the pilot projects covered by budget lines 07 03 15 and 07 03 16 , serving as financing decision

The decision constitutes the work programme and financing decision for actions to be implemented under 2 pilot projects voted by the Budgetary Authority within the framework of the 2009 Budget :

- Budget article 07 03 15 - Pilot project: Sulphur dioxide and nitrogen oxide emission trading in the Baltic Sea;
- Budget article 07 03 16 - Pilot project: Development of prevention activities to halt desertification in Europe.

1. PILOT PROJECT: SULPHUR DIOXIDE AND NITROGEN OXIDE EMISSION TRADING IN THE BALTIC SEA (BUDGET ARTICLE 07 03 15)

1.1. Introduction

1.1.1. Budget line: 07 03 15

1.1.2. Basic Act :

Pilot project within the meaning of Article 49(6) of Council Regulation (EC, Euratom) No 1605/2002 of 25 June on the Financial Regulation applicable to the general budget of the European Communities (OJ L 248, 16.9.2002, p. 1), as last amended by Council Regulation (EC) No 1525/2007 of 17 December 2007 (OJ L 343, 27.12.2007, p.9).

1.1.3. General objectives of the pilot project:

As per the budgetary remark voted by the Budgetary Authority, the project is intended

- to impact in the reduction of sulphur dioxide and nitrogen oxide emissions in the Baltic Sea by experimenting pilot emissions trading schemes with the voluntary involvement of all stakeholders;
- to include shipping in research and preparatory work in view of policy development for open trading with land-based resources, to be used in complementarity with ongoing work undertaken by the Commission in order to identify and define the conditions for a possible trading system for both SO₂ and NO_x in future legislation.

1.1.4. Specific priorities for 2009

The establishment of a voluntary emission trading scheme involving land base installations and international shipping calls for

- The assessment of legal and practical aspects of such a trading system;
- On-line monitoring of emissions and ships;
- The active involvement of all stakeholders.

In 2008, in the Commission started two studies:

- One for assessing the legal and technical feasibility of the establishment of an open emissions trading system involving ships and land-based emission sources which takes into account the IMO Annex VI revision and Community law. This study runs in parallel with a study on a trading system for sulphur and nitrogen oxides emissions for land based installations.
- The second study aims at assessing the feasibility of using remote sensing to identify ships emitting substantially more air pollutants than the required legal limits in areas such as the Baltic Sea and North Sea/English Channel.

In 2009, in view of the budget available, and further to discussions with the Parliament, it was concluded on the need to focus on a comprehensive involvement in the process of

all relevant stakeholders. The objective is to stimulate the ownership of the trading scheme by the participants and to ensure their active contribution.

1.2. Type of financial intervention: call for proposals

1.2.1. Breakdown of resources between strands / actions to be implemented (see sections hereunder)

Total available amount: €2.000.000, to be implemented through a call for proposals.

1.2.2. Expected results of actions to be supported

The aim of the call for proposals is to experiment a voluntary emissions trading scheme in the Baltic Sea for the emissions of sulphur and nitrogen oxides which would aim to deliver lower pollutant emissions than required by legislation or to deliver faster reductions in emissions than would ordinarily be delivered by current international and Community law. This trading system is most likely, therefore, to be an open system between ships and land-based sources.

The Commission intends only to fund a single proposal given that it is not sensible to prepare and deploy competing trading systems in the same geographical sea area.

The results of the Commission's studies will be made available to the pilot project. Maritime administrations and other relevant authorities of EU neighbouring countries will be informed of the implementation of the pilot project.

1.2.3. Target beneficiaries

Applicants and their partners must be public or private bodies, actors and institutions.

Applicants must be registered in an EU Member State; their partners must be registered in an EU Member State or a member of the European Free Trade Association.

1.2.4. Eligibility criteria

In addition to the compliance with the technical/administrative requirements that will be detailed in the call for proposals, each proposal must:

- Take place within the Baltic Sea and surrounding EU Member States;
- Involve a public-private partnership with the active participation of at least one public authority.

Moreover, the proposed trading system will have to respect both international law and European Community law i.e. ships must respect the IMO's ship based limits for sulphur and nitrogen oxides emissions in the Baltic Sea and be compatible with UNCLOS (United Nations Convention on the Law of the Sea). In addition, Member States must respect their emissions ceilings under the national emissions ceilings directive (Directive 2001/81/EC) and land-based combustion sources must respect the provisions of the large combustion plant directive (Directive 2001/80/EC) as well as the directives on integrated pollution prevention and control (Directives 1996/61/EC and 2008/1/EC).

1.2.5. Selection criteria

The selection criteria shall make possible to assess the applicant's ability to complete the proposed action:

- Operational capacity of the applicant and partners: professional competencies, qualifications and requirements needed to undertake the proposal within stated technical parameters;
- Financial capacity: stable and sufficient sources of funding to maintain his activity throughout the period during which the proposal is being carried out and to participate in its funding.

1.2.6. Award criteria

The award criteria are:

- technical coherence: proposal should be clear, detailed, coherent, realistic and feasible in terms of actions and timetable;
- financial coherence and quality of the proposed budget: consistency with the technical proposal, cost-efficiency and value for money;
- contribution to the general objectives of the pilot project: scope of the project, involvement of different stakeholders, specific issues it intends to solve, expected results, methodology and proposed compliance mechanisms;
- EU added value in terms of stimulation of best-practice, innovation, demonstration, potential for sustainability and potential for continuation after the end of the pilot project.

1.2.7. Indicative timetable and maximum rate of co-financing

Finance rate :	Max 80 % co-financing of the eligible costs
Timing of call for proposals :	
- publication date	May 2009
- closing date	August/September 2009
- finalisation of the grant agreement	December 2009 – January 2010

2. PILOT PROJECT: DEVELOPMENT OF PREVENTION ACTIVITIES TO HALT DESERTIFICATION IN EUROPE (BUDGET ARTICLE 07 03 16)

2.1. Introduction.

2.1.1. *Budget line: 07 03 16*

2.1.2. *Basic Act :*

Pilot project within the meaning of Article 49(6) of Council Regulation (EC, Euratom) No 1605/2002 of 25 June on the Financial Regulation applicable to the general budget of the European Communities (OJ L 248, 16.9.2002, p. 1), as last amended by Council Regulation (EC) No 1525/2007 of 17 December 2007 (OJ L 343, 27.12.2007, p.9).

2.1.3. *General objectives of the Pilot Project*

As per the budgetary remark voted by the budgetary authority, this appropriation is intended to identify and develop prevention activities to halt desertification in Europe.

Given the extremely wide scope of initiatives to be covered by the budget remark, several meetings with the Parliament were organised in order to define a possible focus not already covered by other policy areas (i.e. research and agriculture).

2.1.4. *Specific priorities for 2009*

Following discussions with the Parliament, the pilot project in 2009 will focus on supporting the development of concrete pilot initiatives on innovative technologies, techniques or practices in order to contribute to the exchanges of good practice and innovation at the local level for halting the desertification in Europe.

In particular, the project will focus on demonstrating the potential of water saving techniques for improving human and environmental conditions in different regions of Europe, using low-cost (technological) approaches.

The project would cover the identification, financial support, monitoring of implementation and evaluation of up to four concrete pilot initiatives.

2.2. Type of financial intervention:

The action will be implemented in two phases:

- During the first phase a service contract will be concluded following an open call for tenders, to be published in April 2009, for a maximum amount of EUR 100.000. The contract will focus on the identification of possible priorities - sectoral and/or regional – for halting desertification. The signature of the contract and the start of the work are expected in July 2009.

The second phase will envisage the launching of a call for proposals, for an indicative amount of EUR 900.000, to target the priorities defined as a result of the service contract. The details of the call for proposals will be the subject of a specific financing decision in the second semester of 2009.