

ROADMAP			
TITLE OF THE INITIATIVE	Measures to include maritime transport emissions in the EU's greenhouse gas reduction commitment if no international rules agreed		
TYPE OF INITIATIVE	• CWP		
LEAD DG – RESPONSIBLE UNIT	CLIMA B.3		
EXPECTED DATE OF ADOPTION	Month/Year: Q3 2012		
VERSION OF ROADMAP	No: 4	Last modification:	Month/Year: September 2011

This indicative roadmap is provided for information purposes only and is subject to change. It does not prejudice the final decision of the Commission on whether this initiative will be pursued or on its final content and structure.

A. Context, problem definition
<p>(i) What is the political context of the initiative?</p> <p>(ii) How does it relate to past and possible future initiatives, and to other EU policies?</p> <p>(iii) What ex-post analysis of the existing policy has been carried out and what results are relevant for this initiative?</p>
<p>The Europe 2020 Strategy includes, as a headline target for 2020, the commitment to reduce greenhouse gas emissions by at least 20% compared to 1990 levels or by 30%, if the conditions are right¹ The scope of this commitment is set out in the EU's climate and energy legislation. According to this legislation², all sectors of the economy should contribute to achieving these emission reductions, including international maritime shipping and aviation. In the event that no international agreement which includes international maritime emissions in its reduction targets has been approved by the Community by 2011, the Commission should include international maritime emissions in the Community reduction commitment, with the aim of the proposed act entering into force by 2013. The 2011 Transport White paper³ states that EU CO₂ emissions from maritime transport should reduce 40% (50% if feasible) from 2005 levels by 2050.</p> <p>The 2002 Commission's 6th Environmental Action Plan already identified the need to take actions to reduce greenhouse gas (GHG) emissions from maritime transport, if no such action is agreed within the International Maritime Organization by 2003. To date there has been very limited progress towards reducing emissions in the IMO. Furthermore, the European Parliament and Council have repeatedly called for action to reduce greenhouse gas emissions from international maritime transport. The global goal is to limit global climate change to 2°C, which requires economy-wide action to be taken.</p>
<p>What are the main problems which this initiative will address?</p>
<p>Greenhouse gas emissions from shipping, like other modes of transport, have increased strongly in the past and are expected to keep increasing in the future. EU ship emissions have been estimated to be 310 Mt and, in the absence of regulatory action, could double by 2030. It is very unlikely that any significant reductions will be achieved before 2020 if no action is taken. Unlike domestic maritime emissions, international maritime emissions have not yet been included in the 20% commitment that is a headline target of the Europe 2020 Strategy, nor have specific EU measures relevant to Greenhouse Gas emissions in this sector been implemented. This is incompatible with the current scientific assessment that the increase in greenhouse gas emissions will have to be reversed within 10 years in order to limit global warming to 2 degrees.</p> <p>The European Union is pursuing action in international fora, but negotiations at international level, both UNFCCC and IMO, have not resulted so far in any agreement on a legally binding mechanism that includes these emissions into reduction commitments. Emissions from international shipping are currently outside of any binding emission</p>

¹ COM(2010) 2020, 3.3.2010

² Effort Sharing Decision No. 406/2009/EC recital 2 and the EU ETS Directive 2009/29/EC recital 3.

³ Roadmap to a Single European Transport Area - Towards a competitive and resource efficient transport system COM(2011) 144, March 2011.

reduction commitments. It is also important to avoid distortions of competition and promote European maritime interests.
Who will be affected by it?
Owners and operators of all ships above a certain size visiting EEA ports. MS (and EEA states) administrations (particularly port states and flag states), European Commission and the European Maritime Safety Agency may have additional tasks.
(i) Is EU action justified on grounds of subsidiarity? (ii) Why can Member States not achieve the objectives of the proposed action sufficiently by themselves? (Necessity Test) (iii) Can the EU achieve the objectives better? (Test of EU Value Added)
(i) Since shipping is an international sector and many ships have the option to choose which ports in particular Member States to use, the risk of activity moving between Member States if individual national action is taken is high in the Maritime sector. To this end, Member States at individual level have been reluctant to develop legislation to reduce emissions in this area as it may lead to reduced business for their ports without a corresponding increase in environmental integrity. If emissions from international shipping are not included into an international agreement's reduction commitments, harmonised action to reduce the GHG emissions from the maritime sector based on traffic into and out of EU ports could be secured by adopting legislation at a Union level thereby largely avoiding the risk of leakage while tackling the environmental issue. Within this context, the issue of subsidiarity will further assessed as part of the Impact Assessment.
B. Objectives of the initiative
What are the main policy objectives?
- To achieve the EU2020 Strategy's headline target for 2020 to reduce greenhouse gas emissions by at least 20% compared to 1990 levels or by 30%, if the conditions are right, by ensuring that all sectors contribute to this target - To reduce the climate impact of ship emissions and improve efficiency in the sector - Support the continued innovation in the European Maritime industries - If emissions from international shipping are not included in an international agreement's emission reduction commitments, to develop EU measures that can provide the basis for action to reduce maritime emissions within the EU and globally
Do the objectives imply developing EU policy in new areas?
No - the Europe 2020 Strategy includes, as a headline target for 2020, the commitment to reduce greenhouse gas emissions. The scope of this commitment is set out in the EU's climate and energy legislation, according to which all sectors of the economy should contribute to achieving these emission reductions, including international maritime shipping and aviation. In the event that no international agreement which includes international maritime emissions in its reduction targets has been approved by the Community by 2011, the Commission should include international maritime emissions in the Community reduction commitment
C. Options
(i) What are the policy options being considered? (ii) What legislative or 'soft law' instruments could be considered? (iii) How do the options respect the proportionality principle?
(i) (ii) If emissions from international shipping are not included into an international agreement's emission reduction commitments, then the following main policy options for inclusion of these emissions into the EU's greenhouse gas emission targets should be considered: a) Emissions trading, either inclusion of shipping in the EU ETS or emissions trading for shipping under a separate directive but linked to the EU ETS. b) Amendment of the Effort Sharing Decision c) An emissions tax with hypothecated revenues. d) A mandatory operational or design efficiency standard. e) A baseline and credit system or differentiated harbour dues based on an operational efficiency indicator or a design index.

Any measure implemented will include considerations and possibly further implementing measures related to monitoring and reporting emissions from maritime activities, and issues related to verification. Options for monitoring and reporting at a Member State level have been explored in the context of the preparation of the revision of the EU GHG Monitoring Decision (Proposal for amendment of Decision 280/2004/EC concerning a mechanism for monitoring Community greenhouse gas emissions and for implementing the Kyoto Protocol); further work by external experts may be foreseen in this regard.

(iii) The analysis of the proportionality principle of the various options will be carried out as part of the impact assessment.

D. Initial assessment of impacts

What are the benefits and costs of each of the policy options?

Environmental impacts:

Significant reductions in ship emissions are possible for the using currently available technologies and procedures for both new and existing vessels at very low cost.

Economic and social

Economic and social impacts will be carefully assessed. In this context, some studies have revealed that many measures to reduce emissions could result in economic benefits – reducing transport costs. However, measures to reduce emissions will discourage highly emitting transport relative to more efficient transport which would have costs for less efficient industry which will be assessed.

As part of the analysis, options will be considered to minimise the costs and administrative burden from European action. In this context, the effects of a market-based approach to reducing emissions will be specifically assessed.

Industries that import and/or export could also be indirectly affected by changes in the cost of maritime transport.

Action would also stimulate demand for related technologies and services, and if well-designed, could help strengthen Europe's maritime industry

Could any or all of the options have significant impacts on (i) simplification, (ii) administrative burden and (iii) on relations with other countries, (iv) implementation arrangements? And (v) could any be difficult to transpose for certain Member States?

(i) (ii) Some of the options would require new administrative tasks for the Commission and the MS. The possible impacts on administrative burden of the various options will therefore be assessed with a view of minimising possible additional administrative costs. If deemed significant, the administrative burden, both for private and public sectors, will be assessed using the EU Standard Cost Model.

(iii) To avoid distortions of competition, action should address all ships above a certain size independently of their flag. This means that the options considered could have an impact on third countries.

(iv) and (v) This will be assessed through the impact assessment process and the consultation of stakeholders (in particular through involvement of the European Climate Change Programme (ECCP), see point E below).

(i) Will an IA be carried out for this initiative and/or possible follow-up initiatives? (ii) When will the IA work start? (iii) When will you set up the IA Steering Group and how often will it meet? (iv) What DGs will be invited?

(i) Yes (ii) Q4 2010. (iii) (iv) This issue is regularly discussed by the existing ISG on ship emissions (ISG composed of DGs ENER, MOVE, MARE, ENTR, ECFIN, EMPL, MARKT, RTD, JRC, RELEX, DEV, SG, TRADE). All reports and minutes are available on the Intranet.

(i) Is any of options likely to have impacts on the EU budget above €5m?

(ii) If so, will this IA serve also as an ex-ante evaluation, as required by the Financial regulation? If not, provide information about the timing of the ex-ante evaluation.

The possible impact on the EU budget will be carefully assessed. In particular, a proposal could require additional resources for the EU budget for instance through new tasks for an EU Agency such as the European Maritime Safety Agency (EMSA).

<p>E. Evidence base, planning of further work and consultation</p> <p>(i) What information and data are already available? Will existing impact assessment and evaluation work be used?</p> <p>(ii) What further information needs to be gathered, how will this be done (e.g. internally or by an external contractor), and by when?</p> <p>(iii) What is the timing for the procurement process & the contract for any external contracts that you are planning (e.g. for analytical studies, information gathering, etc.)?</p> <p>(iv) Is any particular communication or information activity foreseen? If so, what, and by when?</p> <p>(i) These issues have been extensively studied at the global level by the IMO.</p> <p>A detailed study into possible EU action was carried out by a consortia lead by CE Delft during 2009. The study assessed EU ship emissions, reduction potential, policy options, policy design and legal, practical and political feasibility. The final report of the study is available from: http://ec.europa.eu/clima/studies/transport/shipping/index_en.htm Further studies are being undertaken on existing market barriers, economic impacts, administrative arrangements (MRV), which will be available in June 2012 and on ships visiting EEA ports, which will be available in September 2011.</p> <p>Furthermore, in order to prepare the Commission's initiative, an Impact Assessment will be carried out. It will assess the impacts of the various options available to address the problems identified. It will be based on the data and analysis collected and will take account of the consultation of stakeholders.</p> <p>(ii) A detailed assessment of the impacts of European action will be undertaken based on external contracts.</p> <p>(iii) Following an open call for tenders in early 2011 a contract is to be awarded for this IA work and the selected consultants should start in Q3 2011. The evaluation committee has included DG CLIMA, MOVE and MARE.</p> <p>(iv) Press release at the moment of the adoption of the proposal. Publication of all relevant documents on EUROPA.</p> <p>Which stakeholders & experts have been or will be consulted, how, and at what stage?</p> <p>The main EU stakeholders (e.g. ship-owners, equipment manufacturers, maritime MS) are already informed about this initiative and have been consulted on issues in the context of the CE Delft study. The topic has been discussed with Member States in the implementing committee for the EU's climate and energy legislation.</p> <p>Consultation and stakeholder meetings in Brussels are being held during 2011 including but not limited to the following. Formal stakeholder engagement is through the European Climate Change Programme (ECCP) in 2011. Two day meetings have been held in February and June 2011 a further meeting is planned for later in 2011. In addition, a High level Platform on reducing greenhouse gas emissions from ships has been established by Commissioner Hedegaard and Vice-President Kallas in order to bring together a group of high level personalities to provide input and views to Commissioners on what should be done in respect of the EU's Climate and Energy Package commitments on taking responsibility for maritime emissions, taking into account progress at the international level, how can policy action benefit the EU shipping industry. Information on this is available at http://ec.europa.eu/transparency/regexpert/detailGroup.cfm?groupID=2560</p> <p>All information on the ECCP is available from the ECCP website: http://ec.europa.eu/clima/documentation/eccp/second_stakeholder_en.htm. All interested stakeholders are invited to submit their views by the 31st September 2011 http://ec.europa.eu/clima/events/0036/index_en.htm.</p>
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