Minutes
6th Plenary Meeting of the European Sustainable Shipping Forum
Brussels, 28 June 2016

1. Approval of the agenda and of the minutes of previous meeting
   1.1. Minutes of the previous meeting were adopted with no further additions nor amendments.
   1.2. Agenda for the meeting adopted with no comments nor proposed amendments.
   1.3. Additional introductory points addressed:
       The Commission welcomed all members – both new (1/3 of members) and all those continuing cooperation with the ESSF and recalled the most important rules regarding expert groups and the ESSF in particular:
       - mission of the ESSF,
       - basic rules for cooperation,
       - composition
       - structure
       - basic documents which can be found in more detail in:

ESSF - public information:
- [http://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail.groupDetail&groupID=2869](http://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail.groupDetail&groupID=2869)
- [Decision on setting-up the group of experts on maritime transport sustainability – The European Sustainable Shipping Forum (ESSF) [C(2013)5984]](http://europa.eu/2020/transparency/regexpert/index.cfm?do=groupDetail.groupDetail&groupID=2869)

Terms of Reference for the ESSF:

Horizontal rules for COM expert groups

2. Nature of the meeting
   2.1. It was the first meeting after the decision to extend the duration of the ESSF (Commission Decision C(2015)9741, amending the Decision C(2013)5984 on setting up the group of experts on maritime transport sustainability – the ESSF of 6/01/2016) and the appointment of the new members, who account for around 1/3 of the industry representatives.
2.2. The meeting was non-public (only for invited members, Commission Services, and EU institutions).

3. List of points discussed

3.1. Establishing of the new sub-group ‘Air Emissions from Ships’

3.2. The progress from the following sub-groups:
   3.2.1 Exhaust Gas Cleaning Systems;
   3.2.2 Liquefied Natural Gas as Marine Fuel;
   3.2.3 Competitiveness;
   3.2.4 Financing;
   3.2.5 Port Reception Facilities.

3.3. The final reports of the subgroups on:
   3.3.1. Shipping MRV Monitoring and
   3.3.2. Shipping MRV ‘Verification and Accreditation’

3.4. Under Any Other Business members suggested that ESSF could consider addressing other alternative fuels, like e.g. methanol (suggestion of Methanol Institute). Methanol Institute offered providing presentation about state of play with regard to use of methanol as alternative shipping fuel at one of the future meetings. Surfrider Foundation Europe suggested addressing problem of loss of containers.

3.5. Summary of discussions on each of the agenda items is presented below:

Ad 3.1 Establishing of a new Sub-group on Air Emissions from Ships

The Commission (DG ENV) presented the Terms of Reference (ToR) for a new sub-group called ‘Air Emissions from Ships’. The idea is to follow up on developments of the sub-group on Implementation of the Sulphur Directive (formally closed in 2015) and to broaden the scope addressing a wider set of air pollutants from shipping while keeping the focus on the Sulphur Directive and the shipping community strategy towards 2020.

The proposed sub-group’s mandate suggested by the Commission was as follows:

I. EU Priority: entering into force in 2020 of the 0.50% Sulphur requirement; recommendations on open-sea enforcement tools and operational procedures, role of THETIS-S and further developments.

II. Reporting under the Sulphur Directive, streamline processes for reducing administrative burden linked to inspections and reporting, and monitor best practices for control of fuel suppliers and sanctions.

III. Recommendations on best methods with regard to developing and assessing state-of-the-art ship emissions inventories and projections (SOx, NOx, PM, Black Carbon and other relevant substances).

IV. Identification of synergies between air quality and climate initiatives at international/EU levels (potential for continuous monitoring of emissions, fuel consumption, and remote sensing technologies).
Members welcomed the idea of establishing a new Sub-group, but the discussions on the ToR could not be concluded at the meeting due to significant amount of comments. There was a significant interest in membership to this new Sub-group.

The ESSF Plenary members commented on the mandate, which was considered too broad, too much policy related and not sufficiently focussing on the technical competence of the Sub-group. The biggest controversy was related with point IV, which was not supported by many of the members. Some member states raised the idea of establishing a new sub-group on reducing GHG emissions from shipping due to the importance of the subject and the need for continued dialogue between all the stakeholders.

Especially the industry members requested to focus on the 0.5% global cap preparation which is already ongoing in parallel. The idea to look into pollutants beyond SOx was not very welcomed.

Some members were concerned that a technical discussion on NOx could lead to an exclusive competence of the Commission on NOx in the EU coordination processes in the Council. The Commission reminded the rules of the expert groups which are clear with regard to expert groups having only advisory character.

Due to a substantial number of specific comments to the ToR and expressions of interest in participation to the Sub-group, the Plenary members were requested to provide comments in writing.

The following timeline for the next steps was agreed:

- The Plenary Members were requested to send their comments on the ToR by 12 July
- Only in case of lack of representation of relevant competencies in the attached membership lists, the Plenary Members were invited to propose additional representatives in writing by 12 July
- The Commission services were requested to consolidate the received inputs and send to the Plenary a draft final version of the ToR and of the membership lists by 18 July
- Then, the Plenary Members will be requested to endorse the ToR as well as the membership lists by 1 August by tacit agreement in accordance with the ESSF Plenary Rules of Procedure (any ESSF member who does not express his opposition within this time period is considered to have given his tacit agreement).

Please find the final, agreed ToR for the sub-group in Annex 1.

**Ad 3.2.1 Exhaust Gas Cleaning Systems Sub-group**

The ESSF welcomed and supported the progress achieved by the sub-group, especially with regard to preparations of submission to the IMO on revision of the IMO EGCS Guidelines (2015) and collaboration with US regarding this issue. The Plenary supported the submission of the document to MEPC 71.

The Commission invited the members of the ESSF who are also members/observers of the IMO, to co-sponsor the submission. CLIA and Interferry declared their initial support for co-sponsoring the paper (depending on the final text of the submission).

The Plenary members underlined the need for reliable results of the washwater sampling campaign conducted by EGCSA/ EUROSHORE and in parallel by Carnival. They welcomed
the announcement of EGCSA that in the second stage, the plan is to start analysis of the content of solid wastes from scrubbers (sludge).

Germany insisted on addressing PAH values properly in the IMO EGCS guidelines, and informed about the project on analysis of impact on EGCS washwater on water quality in German waters (to be finalised in 2019).

Based on recommendations from the Sub-group (document 7a) the Plenary ESSF:

1. noted the progress in general of the EGCS sub-group
2. noted the further development of draft amendments to the "(2015) Guidelines for Exhaust Gas Cleaning Systems (resolution MEPC. 259(68))" and supported the subsequent submission by correspondence
3. approved the timeline for finalization of the IMO submission paper
4. positively considered possibility of co-sponsoring of the IMO submission
5. supported the idea for cooperation with the U.S. EPA regarding the amendments to the IMO 2015 EGCS guidelines;
6. noted the further development of the PRF questionnaire on EGCS waste and the consolidated responses from the EGCS Sub-group, which were prepared and distributed to the PRF sub-group;
7. noted the progress with the EGCS washwater sampling campaigns being undertaken by EGCSA/EUROSHORE and Carnival, and encouraged sludge sampling analysis as a second step;
8. noted the agreement of the IMO for unplanned output for operational non-compliance guidelines and potential amendments to the 2009 MARPOL Annex VI port state control guidelines by MEPC 69 and
9. endorsed approach for future works:
   • to focus on the residue and washwater sampling campaign
   • to assess required activities for the outstanding existing work packages, e.g. WP.10 NaOH safe handling, or on the new work packages.

Ad 3.2.2 Liquefied Natural Gas as Marine Fuel Sub-group

The ESSF welcomed the progress report, especially with regard to progress on development of the EMSA guidance on LNG bunkering for Port Authorities and Administrations, as agreed at the last ESSF Plenary meeting in January 2016, and other developments:

- New Work Item Proposal to develop a standard for the LNG connector launched by the ISO, and the result will be known end June/beginning of July

- SGMF (member of ESSF Sub-group on LNG, Sub-group confirmed that Working Group 6 of SGMF, gathering ca. 70% of connector manufacturers, will work on the development of LNG connector specifications, in order to speed up the process in the ISO.

The Plenary endorsed structure for the EMSA guidance on LNG bunkering, as agreed by the ESSF LNG Sub-group.

EMSA presented the timeline for further development of the LNG bunkering guidance:
• Launching on-line questionnaire (beginning of July 2016 with deadline for replies by mid-September)
• Workshop in EMSA planned in November 2016 (EU Administrations/Port authorities/Commission/EMSA)
• Endorsement of the Guidance at the next meeting ESSF Plenary

Chair announced that the Commission will send an e-mail to all ESSF Plenary members with a link to questionnaire, requesting coordination with relevant authorities (and to help the Commission to identify which governmental authorities are relevant with regard to this exercise), and about the planned Workshop for relevant authorities, which will take place in EMSA.

The Plenary welcomed also publication of the Study on the Completion of an EU Framework on LNG-fuelled Ships and its Relevant Fuel Provision Infrastructure:

- **Lot 1: Analysis and evaluation of identified gaps and of the remaining aspects for completing an EU-wide framework for marine LNG distribution, bunkering and use**
- **Lot 2: Creating Awareness on LNG Risks and Opportunities**
- **Lot 3: Analysis of the LNG market development in the EU**

Lot 4 EC decided not to publish.

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<tr>
<th>Based on recommendations from the Sub-group (document 8a) the Plenary ESSF:</th>
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<tr>
<td>1. <strong>Noted</strong> LNG Sub-group progress in general,</td>
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<td>2. <strong>Noted</strong> publication of the results of the DG MOVE LNG study</td>
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<td>3. <strong>Noted</strong> progress &amp; follow-up on ISO work regarding the standardisation of LNG bunker connectors</td>
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<td>4. <strong>Supported</strong> proposed changes to the Work Packages in the LNG sub-group, aimed at better reflecting new priorities</td>
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<td>5. <strong>Noted and endorsed</strong> progress in the development of EMSA guidance on LNG bunkering for Port Authorities and Administrations:</td>
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<td>6. <strong>Endorsed</strong> the structure agreed in the 9th LNG sub-group meeting</td>
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**Ad 3.2.3. Competitiveness Sub-group**

The ESSF Plenary welcomed the progress made by the Sub-group on the work in relation to its latest mandate and endorsed the Sub-group’s intention to open discussions and decide at its next meeting on:

- how to further organise the collection of data in relation to evolution of fuel prices;
- intention to prepare a contribution to the follow-up of the Implementation Report of the EU Maritime Transport Strategy
- suggestions as to any other ‘critical competitiveness factors’ needing to be swiftly addressed by the Sub-group. Plenary members already made following suggestions, which will be assessed and possibly complemented by the subgroup:
  - ECSA - wider critical factors: to launch an exercise aimed to reduce legal barriers for SSS (e.g. Ballast Water Management, weighing of containers)
  - FEPORT Weighing of containers - to have a look at how different MS implement this requirement.
Based on recommendations from the Sub-group (document 10a) the Plenary ESSF:

1. **noted** the progress made by the Sub-group on the work in relation to its latest mandate;
2. **noted and endorsed** the Sub-group’s intention to open discussions and decide at its next meeting on how to further organise the collection of data in relation to evolution of fuel prices;
3. **noted** the need for and **provided** suggestions for other ‘critical competitiveness factors’ needing to be swiftly addressed by the Sub-group and **encouraged** additional suggestions to be made by the members of the Sub-group at its next meeting;
4. **noted and endorsed** the Sub-group’s intention to prepare a contribution to the follow-up of the Implementation Report of the EU Maritime Transport Strategy.

**Ad 3.2.4 Financing Sub-group**

The ESSF welcomed the development of the Green Shipping Guarantee program (GSG) (a risk-sharing mechanism improving access to financing and reducing the risk of investing in clean technologies) and the development of the *Vade-mecum for a better utilisation of EU instruments* (purely informative document). The "Vade-mecum was developed as a tool supporting the application for EU funds by the maritime sector. The document provides a comprehensive list of relevant EU financing tools, according to their type, scope and target, and is intended to advise the users how to orient their projects in the context of different funding opportunities. The Plenary members considered the Vade-mecum as a very useful document.

With regard to the GSG program, Finland requested the EIB and the Commission to re-consider criteria regarding banks, to allow smaller countries to participate in the pilot phase, and later in the program itself. Program needs to be scalable. Chair agreed that this need to be further considered.

The ESSF Plenary members agreed that with the developments mentioned above, the mandate of the ESSF Sub-group on Financing has been fulfilled and can be closed at the next Plenary meeting, while its members can be invited to the ESSF Sub-group on Competitiveness (for last 2 years both sub-groups' meetings have been organised jointly).

It was agreed that the ESSF Sub-group on Financing will produce an update to its final report (already submitted in December 2014), taking into account the recent achievements of the group, and submit it to the next Plenary ESSF meeting.

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Based on recommendations from the Sub-group and the Commission, the Plenary ESSF:

1. **noted** the latest developments as regards the establishment of the Green Shipping Financing Tool (currently under the name of the Green Shipping Guarantee program)
2. **endorsed** the "Vade-mecum for a better utilisation of EU instruments" as the official deliverable from the ESSF SG on Financing, to be distributed among the maritime community, after the necessary processing towards a version meeting
high communication standards,

3. **agreed** that the mandate of the ESSF Sub-group on Financing has been fulfilled and can be closed at the next Plenary meeting, while its members can be invited to the ESSF Sub-group on Competitiveness

4. **agreed** that the ESSF Sub-group on Financing will produce an update to its final report

5. **agreed** that the preparation of the release versions of the Vade-mecum, as well as the further update of its content be further assigned to the ESSF Sub-group on Competitiveness.

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**Ad 3.2.5. Port Reception Facilities Sub-group**

The Plenary ESSF welcomed progress in the Sub-group, seen as the main discussion platform not only as regards the legislative revision, but also in relation to the other initiatives on improving the implementation of the PRF Directive:

1) REFIT Evaluation;
2) PRF Interpretative Guidelines and EMSA Technical Recommendations;
3) Common Monitoring and Information System.

So far, the Sub-Group has provided a wealth of information to the Commission on the functioning of the Directive. The Sub-Group will continue supporting the Commission on the revision process which it will carry on throughout the year.

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Based on recommendations from the Sub-group (document 11b) the Plenary ESSF:

1. **Acknowledged** progress made so far;
2. **Endorsed** revised Terms of Reference on the Correspondence Group on the issue of Cost Recovery Systems.

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**Ad 3.3.1 MRV Shipping 'Verification and Accreditation' Sub-group**

The Plenary ESSF welcomed the results of the work of the sub-group and endorsed the final report, agreeing to extend the subgroup's mandate for 1 year with a view to develop further guidance on the issues listed below:

- Risk assessment to be carried out by verifiers
- Recommendations for improvements
- Materiality and verification of the emission report
- Verification of the emission report – backward verification
- Verification of the emission report – verification activities
- Assessment of verifiers by NAB – how accreditation can be obtained in time
- Administrative measures – suspension and withdrawal of accreditation
- Administrative measures – Document of Compliance from a suspended verifier

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**Ad. 3.3.2. MRV Shipping 'Monitoring' Sub-group**

The Plenary ESSF welcomed and endorsed the final report and agreed that continuation beyond June 2016 and further into 2017 is needed.

Furthermore, the ESSF Plenary approved that the Sub-group continues its work on open tasks, in particular:
(1) Development of guidance and a best practices compendium, for instance on expected levels of uncertainty for the different monitoring methods;
(2) Analysis of deliverables in view of input in the IMO discussions on IMO Guidelines supporting the global data collection system as approved by MEPC 69 on 22 April 2016.

4. Conclusions

4.1 The Plenary ESSF endorsed the progress made on the respective themes: Exhaust Gas Cleaning Systems; Liquefied Natural Gas as Marine Fuel; Competitiveness; Financing; and Port Reception Facilities.

4.2 The Plenary approved the final reports of the subgroups on MRV Monitoring and MRV ‘Verification and Accreditation’ and agreed to extend the duration of their work through the next year.

4.3 The Plenary also agreed on establishing of the new subgroup ‘Air Emissions from Ships’, but the discussion on both Terms of Reference and on the lists of members could not be concluded during the meeting. **It was decided to finalise it using written procedure.**

5. Next steps

The Commission will:
- distribute all presentations from the meeting
- distribute new list of members
- prepare public summary of the meeting and more detailed minutes
- send e-mails with requests, as specified in the report above.

6. Next meeting

It was agreed that the next meeting will take place in **second half of January 2017.**

List of annexes:

Annex 1 – Final Terms of Reference for the new sub-group ‘Air Emissions from Ships’