



Views of the European Commission – shipping and GHG

**European Dredging Association
Clean Combustion and Greenhouse Gases**

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Structure

- 1. Policy context**
- 2. EC action on transport**
- 3. The case for reductions from ships**
- 4. Global progress**
- 5. European action**
- 6. Comments**



1. Policy context - Climate Change

- **Fighting climate change is urgent, there is no alternative to reducing emissions.**
- **Even if we reduce, we need to adapt to the inevitable climate impacts as well.**
- **Reducing emissions and growing our economies is perfectly possible, thus industrialized countries should continue to take the lead. 20% reduction by 2020 (30% if other developed countries act). Well below half 1990 levels by 2050.**
- **Developing countries' action must be scaled up, taking their differentiated responsibility, technical potential and economic capability into account.**
- **International negotiations under the UN should agree on a new and ambitious global framework in 2009.**



Policy context - Maritime Policy

- **Reducing emissions from ships is part of the development of the quality shipping concept – An Integrated Maritime Policy for the EU**
- **Positive environmental image of shipping must be maintained**
- **Quality shipping to be encouraged at global level**
- **Industry needs certainty – long term investments, ships last 30 years – need for stable framework**

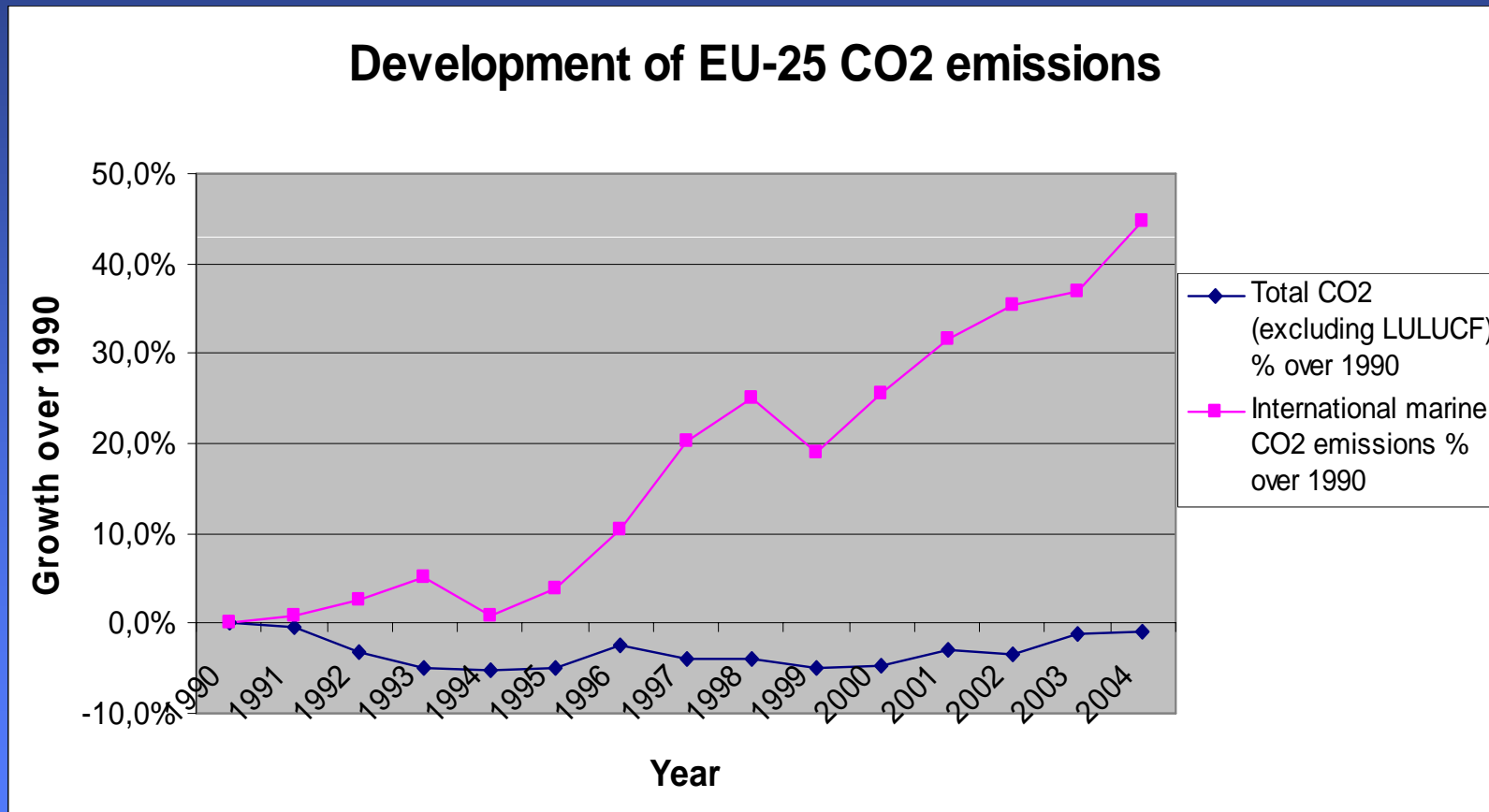


2. EC Action on transport

- **All sectors need to make a contribution**
 - **Comprehensive (and fair) approach**
 - **EC action on transport GHG**
 - **Aviation proposal 2006**
 - **Fuel Quality Directive 2007**
 - **CO₂ and cars 2007**
 - **Car Labelling (planned 2008)**
 - **Heavy Duty Vehicles (planned 2009)**
 - **Maritime Transport (if required)**
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3. The case for reductions from ships





The climate impact of shipping

- **Cloud formation, ocean acidification, Radiative Forcing (+ve and -ve)**
- **Local / global effects,**
- **Short and long term effects,**
- **Dominant impact is from CO₂ (in decades)**
- **EU RTD**
 - **QUANTIFY www.pa.op.dlr/quantify**
 - **ATTICA projects www.pa.op.dlr/quantify**



Key Question

What contribution should the maritime sector make to the 20% target (2020)?

- **More than other sectors?**
- **Less than other sectors?**

- **And importantly what about 2050?**



Some figures

- **IMO Studies**
 - **Emissions 2007 – approx. 850 Mt CO₂**
 - Approximately 3.5% global emissions
 - Approx. doubled since 1990
- **Significant reductions are possible (technology and operational improvements)**
 - **New ships – machinery measures 12%-23%**
 - **Existing ships – 5%-12%**
 - **Operational measures – 1% - 40%**

(IMO figures from 2000 – using available technology)



Good news for shipping!

- **Reductions are possible (many are cost effective)**
- **Very high energy efficiency mode**
- **No alternative (for majority of inter-continental freight – possible regional mode shift to be evaluated)**
- **Costs can be passed on (very marginal impact on demand)**
- **Image of shipping**
- **EU shipyards, EU equipment manufacturers**



Customer requirements

- Tokyo Declaration (February 2008)

“We, the undersigned companies, reiterate our belief that all necessary action should be taken to limit the global average temperature increase to a maximum of 2 degrees Celsius compared to pre-industrial levels.”

We welcome the outcome of the climate talks in Bali and, in particular, its recognition of the Inter-governmental Panel on Climate Change (IPCC) report and its conclusion that global emissions of greenhouse gases (GHGs) need to peak in the next 10–15 years and be reduced to very low levels, well below half of levels in 2000 by the middle of the twenty-first century”

Signed by companies such as: Sony, Nokia, Hewlett Packard, Tetra-Pak and Nike



5. Global process - IMO

- **Started work in 1997**
 - **Excellent report in 2000 – GHG**
 - **GHG ‘timetable’ agreed at MEPC 55 in 2006**
 - **Scheduled to decide on ‘methods for dealing with emissions’ in July 2009**
 - **2008 –3 weeks of meetings - Agreement on principles**
 - **Status:**
 - **No discussion on level of reductions to be achieved,**
 - **No mandatory measures to be agreed in 2009,**
 - **Only CO2 Design Index formula (level? application? start date? Reduction?)**
 - **GHG emissions should peak in the next 15-20 years, well below half current levels by 2050**
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Global process - UNFCCC

- **Relevant items:**
 - **Sectors to be covered**
 - **Means to achieve reductions**
 - **Flexibility Mechanisms**
 - **Financing**
 - **EU Environment Ministers – reconfirmed need for UNFCCC action on maritime (last week)**
 - **Acceleration of negotiations in 2009 (Possible 8 or 12 weeks of meetings in 2009)**
 - **Mitigation from Maritime (and aviation) very difficult topic**
 - **Key element of EU negotiation position (1/8) for a new global post 2012 Climate Change regime (Copenhagen 2009)**
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Problem with lack of progress

- **Timing** – IMO new legal instrument required for ‘package of measures’
 - Draft text (2-3 years?)
 - Diplomatic conference, ratification (2013-15?)
 - Entry into force (2016?)
 - Deviation from BAU – when? Reductions - when?
- **Fairness** - other sectors reducing since 1997
- **Cost** – whatever target is agreed, starting late costs more.
- **Image** - emissions from aviation capped below 2005 levels from 2012!
- **Impact** – causing dangerous climate



Global approach is necessary

- Discussion so far dominated by Europeans
- To agree a balanced and fair global approach important to engage/discuss with maritime actors throughout the world
- Call on you to use whatever means possible (conferences, meetings, suppliers, customers) to reach out **to maritime actors outside Europe** and discuss this issue.



5. European action

- In case effective international action is not forthcoming the Commission will take action
- Policy criteria:
 - Effective
 - Long term framework
 - Polluter pays
 - Cost effective
 - Fair
 - Quantifiable
 - No distortion of competition
 - Proportionate
 - Contribution to building a global system



Current status of EC work

- **External technical support**
 - Contract started October 2008
 - 12 months lead by CE Delft (NL)
 - Scope of work:
 - Policy options,
 - MAC,
 - Impact analysis,
 - Some stakeholder involvement (2009)
 - Mode shift issue (seperate contract)
 - **Working group within EC**
 - **Formal stakeholder process after MEPC 59**
 - **No decision on measures (package approach)**
 - **Proposal ready for beginning of next Commission (after October 2009)**
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EU Policy Options

- **Option a - Include shipping in EU ETS**
- **Option b - Variation in harbour dues**
- **Option c - Mandatory CO₂ index limit**
- **Option d – Design Index for new ships**
- **Option w – Refrigerant gasses**
- **Option x– Infrastructure measures**
- **Option y - Better routing / port integration**
- **Option z – Energy management / reporting**
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Aviation ETS agreement

- **Key features**

- All incoming and outgoing flights to EU airports
 - Climate impact capped at 97% of average emissions level in 2004, 2005 and 2006
 - Reporting obligation from 1st January 2010
 - Apply for free allocation (85%) in 2011
 - Surrender allowances from 1st January 2012
 - Increase in auctioning in accordance with general review of ETS
 - New entrants / de minimus
 - Auction revenues should be used to fight climate change in the EU and elsewhere
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ETS Policy Option - maritime

- **Include Shipping in EU ETS**
 - similar to aviation BUT different
- **Issues**
 - Changing – destinations, owners, operators..
 - Avoidance
 - Scale / Diversity
 - Lack of data
 - Allocation



European Commission - planning

- **Formal consultation of stakeholders – 2009**
 - **Impact assessment - 2009**
 - **EC proposal (after October 2009)**
 - **Negotiation with EP and Council + 2 years (e.g. 2012)**
 - **Entry into force + 1 year (2013)**
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6. Comments

- **Fair contribution**
 - **Promote discussion**
 - What do your customers think?
 - What do consumers want?
 - With actors outside of Europe
 - **Positive message from maritime sector?**
 - Commitments
 - **Global = no action**
 - **Missing data**
 - **EC action being prepared**
 - **No decision taken on EC measures**
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Thank you for your invitation

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