



European Sustainable Shipping Forum ESSF

1st Plenary Meeting

Brussels, 27 November 2013

The European Sustainable Shipping Forum (ESSF)



Navigating Towards

...Clean and Sustainable Shipping...

The ESSF brings together Member States and maritime industry stakeholders.

It will enable a structural dialogue, exchange of best practices and coordination, thus providing the opportunity to discuss practical issues that could be encountered during the implementation process, in particular during the transition phase before the entry into force of the new standard.



The European Sustainable Shipping Forum (ESSF)

28 Member States Representatives

32 Organizations

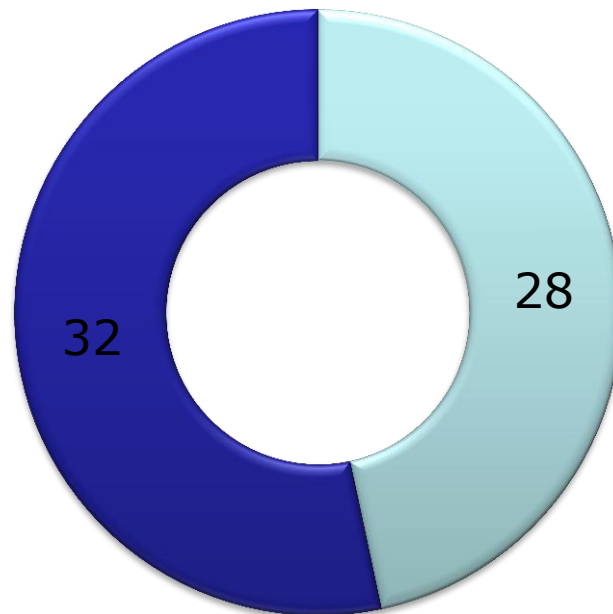
(Companies / Associations / Non-Governmental Organisations / Trade Unions / Universities / Research Institutes)

active in the following maritime transport related areas:

- ✓ **ship owning, management and operations**
- ✓ **short sea shipping**
- ✓ **maritime transport use and services provision**
- ✓ **sea ports management and administrations**
- ✓ **terminal management and operations**
- ✓ **shipbuilding and marine equipment**
- ✓ **ship safety and environment protection)**
- ✓ **maritime transport research and innovation**
- ✓ **investment and financing**
- ✓ **energy and fuel supply**
- ✓ **technical standardisation**

The European Sustainable Shipping Forum (ESSF)

ESSF Plenary – 60 Members



- Member States
- Organizations

Observers:
- Norway
- Iceland

The European Sustainable Shipping Forum (ESSF)

Navigating Towards

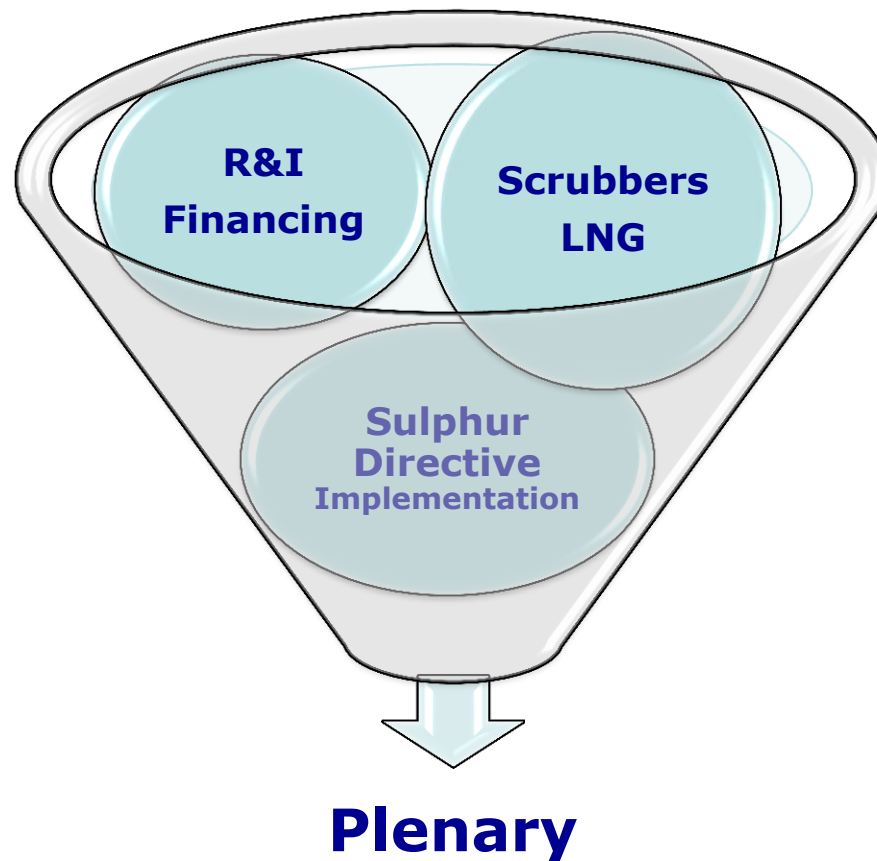
...Clean and Sustainable Shipping...

ESSF envisages in particular to...



- ✓ **create the framework conditions for the use of marine LNG as ship fuel**
- ✓ **create the framework conditions for the use of scrubbing technology in shipping**
 - ✓ **provide guidance on the implementation of the Sulphur Directive**
 - ✓ **explore and evaluate all the available financing opportunities**
- ✓ **coordinate research and development activities and encourage innovation**

The European Sustainable Shipping Forum (ESSF)





The European Sustainable Shipping Forum (ESSF)

VISION

Clean and Sustainable Shipping



The European Sustainable Shipping Forum (ESSF)

MISSION

- ✓ **Assist the Commission in implementing the Union's activities and programmes aimed at fostering sustainable maritime transport**
- ✓ **Provide a platform for structural dialogue, exchange of technical knowledge, cooperation, and coordination between Member States, and relevant maritime transport stakeholders**



The European Sustainable Shipping Forum (ESSF)

OBJECTIVES

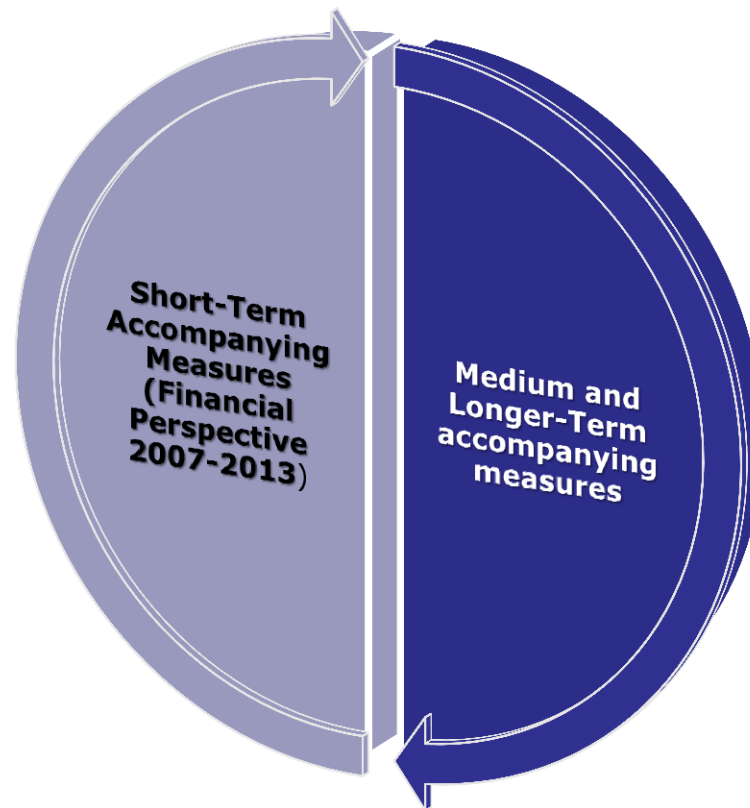
- ✓ **Cost-efficient and coherent implementation of the provisions of the Directive 2012/33/EU as regards the Sulphur content on marine fuels**
- ✓ **Provide advice and technical expertise to the Commission on the development and implementation of legislation, policies, projects and programmes in the field of maritime transport sustainability**
- ✓ **Facilitate exchanges of information on initiatives, projects and partnerships dealing with maritime transport sustainability**
- ✓ **Deliver opinions, submit reports, or develop and propose innovative solutions to the Commission, either at the latter's request or on its own initiative, on any matter of relevance to the promotion of the sustainability and competitiveness of maritime transport in the European Union.**



Sustainable Waterborne Transport Toolbox

- ✓ Presented in September 2011 accompanying the proposal for an amendment to Directive 1999/32/EC in transposing the 2008 IMO Standards on the maximum level of sulphur permitted for fuels used in the shipping sector.
- ✓ A set of supporting measures aiming to reduce compliance costs in relation to the Sulphur Challenge (0.1% sulphur content in EU SECAs as of 2015 and 0.5% outside SECAs as of 2020)

Sustainable Waterborne Transport Toolbox



Sustainable Waterborne Transport Toolbox



28 June 2013 Commission published the first Progress Report on the implementation of the Toolbox...

The Progress Report outlines accomplishments as well as challenges hampering the implementation of the measures and provides a means for developing additional measures where appropriate.

Sustainable Waterborne Transport Toolbox



EU Transport Funding Instruments

European Investment Bank (EIB)

National Funding

International Dialogue and Technical Cooperation

Sustainable Waterborne Transport Toolbox



EU Transport Funding Instruments

- **Financial Support to maritime-based projects focusing on solutions for compliance with 2015 sulphur standards**
 - Scrubbing Technology
 - Alternative Fuels
 - Shore Side Electricity

Sustainable Waterborne Transport Toolbox

EU Transport Funding Instruments

- **TEN-T (Ports and Motorways of the Sea) 145mln€** allocated towards greening the image of maritime transport.
- **Most of the projects are focusing on solutions for compliance with the new sulphur standards (mainly from SECAs – Voluntary interest coming from the Mediterranean region is increasing)**

Short-Term
Accompanying
Measures
(Financial
Perspective
2007-2013)

Feasibility Studies

Design Studies

Pilot Actions

Works

EU Contribution (mln €)

2007-2012		2012-2013	
56.9	<i>plus</i>	88.1	
Total 145 mln €			

Sustainable Waterborne Transport Toolbox

**Short-Term
Accompanying
Measures
(Financial
Perspective
2007-2013)**

European Investment Bank (EIB)

- Limited success so far
- Main obstacle: minimum size of loan 50 mln €
 - Possible solutions :
 - Increase awareness
 - Cross-sector partnerships
 - Bundling of upgrading projects
 - Explore possible use of other EIB financial instruments (ex. Loan Guarantee for TEN-T)

Sustainable Waterborne Transport Toolbox

Short-Term
Accompanying
Measures
(Financial
Perspective
2007-2013)

National Funding

- **State aid measures covered by the Environmental State Aid Guidelines**
 - Acquisition of new ships: until 31/12/2013 (max. aid respectively 10%-15%-20% for large, medium, small companies)
 - Retrofitting : until 31/12/2014 (max. aid respectively 50%-60%-70% for large, medium, small companies)
- **Exploring other national & regional schemes in support of sustainable shipping** (e.g. green port dues and -tariffs, tax exemptions,...)

Sustainable Waterborne Transport Toolbox

**Short-Term
Accompanying
Measures
(Financial
Perspective
2007-2013)**

International Dialogue and Technical Cooperation

- Bilateral and multilateral maritime transport dialogue meetings with key partners : USA, China, Japan, Brazil
- Purpose :
 - Information exchange on mutual efforts made
 - Identify opportunities for joint action
 - Ensure global compatibility of technical and operational measures



Sustainable Waterborne Transport Toolbox

The European Commission published on 24.9.2013 a Decision on setting-up the group of experts on maritime transport sustainability – **The European Sustainable Shipping Forum (ESSF)**.

The **ESSF** will advance the Sustainable Waterborne Transport Toolbox's efforts for a cost-efficient and coherent implementation of the provisions of the Directive 2012/33/EU as regards the Sulphur content on marine fuels.

A large, dark blue, curved graphic element on the right side of the slide, resembling a quarter-circle or a thick, curved arrow pointing towards the right. It contains white text.

Medium and
Longer-Term
accompanying
measures



The European Sustainable Shipping Forum (ESSF)

SUB-GROUP on Exhaust Gas Cleaning Systems (Scrubbers)

Mandate...

Assist the ESSF in facilitating scrubbing technology assessment and the development of framework conditions.

ESSF SUB-GROUP on Exhaust Gas Cleaning Systems (Scrubbers)

Objectives

- Identify and assess potential market barriers hampering scrubbing technology take-up and recommend remedial actions
- Provide guidance and support for business cases for scrubbing technology take-up
- Maintain links and coordinate with other international activities and initiatives for scrubbing technology - in order to avoid duplication as well as to gather relevant information
- Assess the need for guidelines and standards or rules for scrubbing technology covering technical, operational safety and approval aspects, as well as marine pollution aspects
- Collect and exchange information and best practice of on-going and planned projects and trials related to the installation of scrubbing technology on board vessels

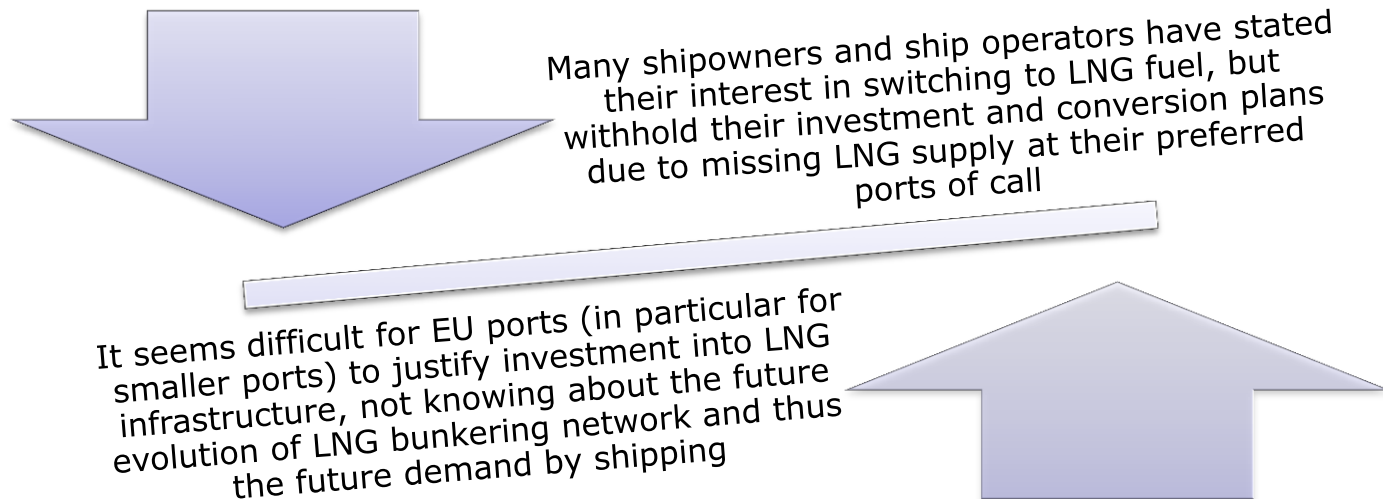
Actions towards a Comprehensive EU Framework on LNG for Shipping

- ✓ Commission Staff Working Document was presented in January 2013 complementing the **Clean Power for Transport Communication** regarding the introduction of LNG as an alternative fuel for Shipping.

Actions towards a Comprehensive EU Framework on LNG for Shipping

Main Obstacle

Lack of appropriate bunkering facilities along shipping routes



Need to break the "chicken and egg" situation!

Actions towards a Comprehensive EU Framework on LNG for Shipping

Need to break the "chicken and egg" situation!

How?

**Develop
LNG bunkering facilities
and infrastructure**

A relevant provision has been included in the **proposal for the "Directive of the European Parliament and of the Council on the deployment of alternative fuels infrastructure"** which is part of the **"Clean Power for Transport Package"**

The Impact Assessment accompanying document to the Legislative proposal on the deployment of Alternative Fuels Infrastructure showed that the build-up of a sufficient infrastructure network for alternative fuels is a necessary condition to achieve the take-up of the alternative fuel vessels.



Actions towards a Comprehensive EU Framework on LNG for Shipping

Proposal for a Directive on the deployment of alternative fuels infrastructure"

- ✓ Deployment of the necessary infrastructure/facility through the provision of LNG Refueling Points to **all Maritime Ports of the TEN-T Core Network** by 31 Dec. 2020
- ✓ Strong support to the Clean Power for Transport Package and its Proposal for a Directive on the deployment of alternative fuels infrastructure (Article 6.1) thus ensuring the effective implementation of the Sulphur Directive
- ✓ CION proposes **full flexibility as to how to provide LNG respecting local conditions and the expected scope of local demand**. The best fitted option from a cost/benefit perspective should be implemented at a specific port as well as joint approaches between neighboring ports where appropriate.
- ✓ LNG refueling points can be on-shore (including tanks, but also mobile provision via trucks is possible) or off-shore (e.g. via bunkering barges).



Actions towards a Comprehensive EU Framework on LNG for Shipping

"Study on the completion of an EU framework on LNG-fuelled ships and its relevant fuel provision infrastructure"

- ✓ Pursuant to COMMISSION DECISION of 7.6.2013 concerning the adoption of a financing decision for 2013 to finance a preparatory action in the field of mobility and transport.
- ✓ The maximum contribution of the Union for the implementation of the preparatory action is set at EUR 1 000 000

Timing of the Procedure

Publication of Call for Proposals / Call for Tender	18 Oct. 2013
Closing date of Call for Proposals / Call for Tender	10 Jan. 2014
Award Decision	01 Mar. 2014

Actions towards a Comprehensive EU Framework on LNG for Shipping

"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*

Total Contract Value: EUR 250,000

* *Follow-up to the Study commissioned by EMSA and published in Feb.2013*

LOT 2:

Creating awareness on LNG risks and opportunities

Total Contract Value: EUR 450,000

LOT 3:

Analysis of the LNG market development in the EU

Total Contract Value: EUR 175,000

LOT 4:

Explore financing opportunities, assess and develop financial mechanisms beyond the EU financial framework aiming at supporting the deployment of marine LNG technology

Total Contract Value: EUR 125,000



The European Sustainable Shipping Forum (ESSF)

SUB-GROUP on marine LNG

Mandate...

Assist the ESSF to advance the "LNG Action Plan – Actions towards a comprehensive EU framework on LNG for shipping" measures aimed at facilitating marine LNG deployment and use at EU level.



ESSF SUB-GROUP on Marine LNG

Objectives

- Address the absence of common guidelines, standards and rules for the distribution, bunkering and use (handling) of LNG for ships. The analysis shall in particular look into safety, operational, technical, and training requirements and recommend where common EU- wide guidelines, standards or rules would be justified
- Address the main barriers (especially market barriers, LNG availability, the permit and the building of infrastructure processes) that are hampering the deployment of LNG
- Maintain links and coordinate with other activities and initiatives in the LNG field- in order to avoid duplication as well as to gather relevant information -including the relevant IMO, IAPH, SIGTTO and ISO working groups, EU and national/regional feasibility, pilot projects, EU policy- and legislative initiatives, research projects
- Exchange information on on-going and planned LNG projects and to provide guidance and support for the creation of effective business cases for provision and use of LNG
- Enhance the public awareness with regard to the risks and benefits of LNG

**Final report should be delivered to ESSF
by June 2015**

**1st Meeting
11 Dec. 2013**



The European Sustainable Shipping Forum (ESSF)

SUB-GROUP

on Implementation of the Sulphur Directive

Mandate...

Advise the European Commission on issues related to the implementation of the sulphur Directive.

Its work should include sharing of expertise and development of best monitoring and enforcement practices, such as the inspection of ships, the procedures for sampling, analysis and reporting of marine fuels as well as emission monitoring, sanctions for non-compliance, approaches to fuel non-availability claims, to form the basis for harmonised rules.

Final report should be delivered to ESSF
by June 2015

1st Meeting
13 Dec. 2013

ESSF SUB-GROUP on Implementation of the Sulphur Directive

Objectives

- Supervise collection and exchange of information and best practices
- Assess the state-of-the-art guidelines and/or standards for efficient implementation
- Identify potential barriers to implementation taking due account of regulatory, operational, technological, environmental considerations
- Recommend remedial actions to identified potential barriers
- Provide overall guidance and support for the creation of a constructive compliance culture in the EU



The European Sustainable Shipping Forum (ESSF)

SUB-GROUP

on Research, Technological Development & Innovation

Mandate...

Assist the ESSF to further coordinate, evaluate and actively get involved with research and innovation actions with the aim to advance the implementation of the 'Sustainable Waterborne Transport Toolbox'.

ESSF SUB-GROUP on Research, Technological Development & Innovation

Objectives

- Review existing and new technology options and solutions for the reduction of shipping emissions in view of the regulatory requirements, but also with a long-term perspective towards zero emission and pollution ships
- Contribute to Strategic Research and Innovation Agendas with the aim to set research, innovation and deployment priorities in support of the Sustainable Waterborne Transport Toolbox



The European Sustainable Shipping Forum (ESSF)

SUB-GROUP on Financing Aspects

Mandate...

Assist the ESSF to advance the implementation of the 'Sustainable Waterborne Transport Toolbox' for a cost-efficient and coherent implementation of the provisions of the Sulphur Directive by exploring all financing opportunities, assess and recommend financial mechanisms within and beyond the EU financial framework.

ESSF SUB-GROUP on Financing Aspects

Objectives

- Explore, assess, describe and propose financing opportunities and market and fiscal incentives supporting the cost-efficient implementation of the Sulphur Directive
- Analyse potential impact of different scenarios with relevant and sound/credible indicators, assess the risk and uncertainties of the assumptions and provide a cost-benefit analysis of the financial instruments in order to identify the market potential for relevant interventions and investments and demonstrate its added value