

# Including maritime transport emissions in the EU's greenhouse gas reduction commitment

General Information	
<p>Are you answering as an individual or on behalf of an organisation or institution? -single choice reply-(optional)</p>	<p>I am answering on behalf of an organisation or institution (company, NGO, public authority, ...)</p>
<p>Please select the option which is the best description of your organisation (1 choice only). -single choice reply-(optional)</p>	<p>non-governmental organisation / association of NGOs</p>
<p>Please enter the name of your organisation. Please briefly describe which stakeholders (or members) you represent. -open reply-(optional)</p>	
<p>The Quaker Council for European Affairs</p>	
<p>If you are registered in the <b>Transparency register</b> please indicate your identification number. Please note it is the policy of the Commission to treat submissions from organisations that choose not to register as individual contributions (<b>see exceptions</b>). Please check the validity of your entry via the <b>search function</b> of the <b>Transparency register</b> – invalid entries will by default be considered as not being registered. -open reply-(optional)</p>	<p>3960234639-24</p>
<p>Please enter an email address for contact purposes (to be used in case of clarification questions only): -open reply-(optional)</p>	<p>iskrine@hotmail.co.uk</p>
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General context	
<p>Do you consider that the maritime sector should contribute to European emission reduction efforts as other sectors? -single choice reply-(optional)</p>	<p>Yes</p>

Please substantiate your answer.

-open reply-(optional)

Shipping affects European waters. In order to keep the global temperature change below 2 degrees, all aspects of our carbon emissions must be considered. Therefore it is essential that the maritime sector should contribute to European emission reduction efforts. The efforts will not give a comprehensive view if maritime emissions are not included.

Do you consider that revenues should primarily be used to support investments to reduce emissions in the maritime sector?

-single choice reply-(optional)

Yes

Do you consider that revenues should primarily be used for international climate change finance?

-single choice reply-(optional)

Yes

Do you consider that revenues should be used for other purposes?

-single choice reply-(optional)

No

Please substantiate your answer.

-open reply-(optional)

Revenues should be used for combined purposes. Primarily, the resources should go to compensating developing countries for any economic impact of the measure. Secondly, up to 50% of the revenues should go to the Green Climate Fund for developing countries. Thirdly, some revenues may need to be recycled back into the industry to promote abatement measures. Finally, some small revenue should be retained by the Member State.

## Definition of the scope

### Routes covered

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Do you think that **routes related to search and rescue, fire fighting or humanitarian operations authorised by the appropriate competent authority** should be excluded from the scope ?

-single choice reply-(optional)

Yes

Do you think that **routes performed exclusively for the purpose of scientific research or for the purpose of checking, testing or certifying vessels or equipment** should be excluded from the scope ?

-single choice reply-(optional)

Do you think that **routes performed in the framework of public service obligations in accordance Council Regulation (EEC) N° 3577/92 of 7 December 1992 applying the principle of freedom to provide services to**

No

<p><b>maritime transport within Member States (maritime cabotage) should be excluded from the scope ?</b></p> <p>-single choice reply-(optional)</p>	
<p>Do you think that <b>routes performed from or to a Least Developed Country as defined by the United Nations</b> should be excluded from the scope ?</p> <p>-single choice reply-(optional)</p>	Yes
<p>Do you consider that any other routes should be considered for exclusion ?</p> <p>-single choice reply-(optional)</p>	
<p>Please substantiate your answer.</p> <p>-open reply-(optional)</p>	
<p>Non-stop routes from EU to LDC ports are unlikely - ships are likely to stop at an intermediary port. The Commission should consider an approach which is based on the origin/destination of a ship's cargo, but we accept that this may pose problems. In which case we would propose that where the impact on LDCs can only be partly met by exempting these routes then compensation for LDC's in general should be handled through the Green Climate Fund,</p>	
<p>Do you have any other remarks on the routes covered? -single choice reply-(optional)</p>	Yes
<p>Please substantiate your answer.</p> <p>-open reply-(optional)</p>	
<p>In the case of landlocked LDCs, compensation should be handled by the Green Climate Fund, With the exception of LDCs, all routes in and out of EU ports should be covered.</p>	
<p><b>Type of ships covered</b></p> <hr/>	
<p>Do you see reasons for excluding any particular ship category?</p> <p>-single choice reply-(optional)</p>	Yes
<p>If yes, which one(s). Please substantiate your answer.</p> <p>-open reply-(optional)</p>	
<p>A de minimis ship size could be set at 400GT or 500GT for a scheme such as an ETS. But as per later questions we believe small ships of all types trading in EU waters could be covered by an upstream fuel tax. We would need to be convinced by research before agreeing to exempt any particular ship of any type for any one specific reason. Customs and police ships should be excluded from the scope on the grounds that they may be needed in an emergency, and this may, on occasion, overrule impact on the environment.</p>	
<p>Are there other categories than those mentioned above which should be included ?</p> <p>-single choice reply-(optional)</p>	No
<p><b>Reliance on shipping</b></p>	
<p>Do you consider that the reliance on shipping at a local or regional level should be taken into account?</p> <p>-single choice reply-(optional)</p>	No

## Evasion / avoidance

Please provide us specific examples, analysis, data, etc. on this potential issue. Please note that any additional study, example, analysis, etc. can be uploaded or sent to [clima-eccp-ships@ec.europa.eu](mailto:clima-eccp-ships@ec.europa.eu) -open reply-(optional)

## Compensation fund

Who should manage a compensation fund? Please substantiate your answer.

-open reply-(optional)

We think that the Fund is best managed by a public body but this will depend on that body having the freedom to receive and allocate revenues directly to the Green Fund. Additional oversight issues clearly arise if the Fund is privately managed and its status would need to clearly specify how funds were to be used. It is possible that third country objections might be even stronger if revenues were being used fairly. Problems could arise both if there is and if there isn't sufficient flexibility in the constitution of the Fund regarding use of revenues, eg. switching revenues between users.

Do you think that several compensation funds could be feasible? No

-single choice reply-(optional)

Please substantiate your answer.

-open reply-(optional)

So far there has been no demonstration of the need for multiple funds. The Commission itself has acknowledged that there could be problems with ships switching between funds.

### Option 1 : Contribution-based approach

Do you consider that contributions to a compensation fund should, in the initial years of a system, be limited? No

-single choice reply-(optional)

If you consider that contributions to a compensation fund should, in the initial years of a system, be limited, should this contribution be initially reduced by reference to contributing a percentage of a certain carbon price? No

-single choice reply-(optional)

If you consider that contributions to a compensation fund should, in the initial years of a system, be limited, should this contribution be initially reduced by pre-set levels of contribution in financial terms? No

-single choice reply-(optional)

In the event that revenues are needed for international climate finance, how long should a transition take to full contribution (please specify a year)?

-open reply-(optional)

## Option 2 : Target-based approach

How can compliance be ensured?

-open reply-(optional)

This could be problematic. COM seems to suggest that under performance to target would simply be resolved by drawing on each ship's bank guarantee and buying offsets to retire the excess emissions. In principle, we do not agree that shipping should have access to offsets given the negative abatement potential in the sector. Linking fund contributions to ship speed is far more likely to achieve up front emissions reductions. Requiring ships to calculate and have available publicly their efficiency will also bring commercial pressures to bear to improve ship efficiency - they are currently absent.

Do you consider that option 1 could achieve the emission reduction required effectively and efficiently? -single choice reply-(optional)

Partially agree

Do you consider that option 2 could achieve the emission reduction required effectively and efficiently ?

Partially agree

-single choice reply-(optional)

## Mandatory emission reductions per ship

Do you consider that option 1 could achieve the emission reduction required effectively and efficiently ?

Partially agree

-single choice reply-(optional)

Do you consider that option 2 could achieve the emission reduction required effectively and efficiently?

Partially agree

-single choice reply-(optional)

Please substantiate your answer.

-open reply-(optional)

These options on their own are not effective. They should be combined with target speeds which deliver the required emissions reductions. Efficiency measures whether based on a historical baseline or EEDI should be public for all ships. It is difficult to see how this measure would work with ships that visit the EU infrequently (unless target speeds are used).

Do you consider that the target can be set on an other basis?

Yes

-single choice reply-(optional)

Please substantiate your answer. -open reply-(optional)

Average ship speeds by ship type can be correlated with ship type/speed. Reduction in average ship speed can then be used as a proxy for emission reductions. Ship speed limits or target ship speed corresponding to required emissions can be set and easily tracked and verified.

Do you consider that a mechanism that rewards early movers should be explored -single choice reply-(optional)

Yes

If yes, what kind of mechanism could be implemented? -open reply-(optional)

A mandatory emission reduction target linked to speed would automatically reward early movers.

Do you consider that a mechanism that creates incentives to go beyond the mandatory emission reduction should be explored? -single choice reply- (optional)	Yes
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If yes, what kind of mechanism could be implemented? -open reply-(optional)

The most straightforward mechanism is based on speed. Ships travelling at the target (reduced) speed that delivers the required reductions, they can earn credits. If they adopt abatement measures that reduce emissions, they can exceed the speed or earn additional credits.

## Emission trading system

Do you consider that financial support (either directly as free allowances or some of the revenue generated from allowances) should be given during a transitional period? -single choice reply-(optional)	No
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If yes, and in the event that revenues are needed for international climate finance, how long should a transition take? -open reply-(optional)	
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Should shipping be able to acquire emission reductions from other sectors? -single choice reply- (optional)	No
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Should shipping be able to sell emission reductions to other sectors? -single choice reply-(optional)	Yes
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Please substantiate your answers -open reply-(optional)

In order to create a truthful reduction in CO2 emissions, the maritime sector needs to be accountable to itself, not other sectors. If it can rely on being able to buy emission allowances from other sectors (which already have too many), then there is no incentive to actively decrease their emissions. However, if they are allowed to sell credits to other sectors, it will hasten their own transformation.

Do you consider that an ETS could achieve the emission reduction required effectively and efficiently? -single choice reply-(optional)	Partially agree
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Please substantiate your answer -open reply-(optional)

If an ETS was given the correct parameters and the market was not flooded, it would be beneficial. However, this has not been the case in other sectors. There are currently enough unused permits that there is no obligation to reduce carbon emissions til 2016. ([http://www.foeeurope.org/sites/default/files/publications/FoEE\\_ETS\\_failing\\_to\\_deliver\\_1010.pdf](http://www.foeeurope.org/sites/default/files/publications/FoEE_ETS_failing_to_deliver_1010.pdf))

## Tax

### Tax on fuel

Do you consider that the evasion risk can be	Yes
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avoided when setting a tax on bunker fuel? -single choice reply-(optional)	
If yes, what specific measures could be developed to avoid/reduce the risk of evasion? -open reply-(optional)	
All ships bunkering only at EU ports would be required to purchase only taxed fuel unless they could demonstrate membership in the Compensation Fund. The tax would be levied at the refinery level or within the supply chain as per well established EU fuel procedures for fuel tax. The ETD would need to be revised but any ETD revision requires unanimity so this is not per se an obstacle. At least 50% of revenue collected at Member State level would need to be redistributed among the EU27 according to an agreed key and/or a portion allocated to the Green Fund. Such a tax would essentially be a tax on small emitters. In this sense it could be very easy to administer.	
Do you consider that a tax on fuel could achieve the emission reduction required effectively and efficiently? -single choice reply-(optional)	Partially disagree
Please substantiate your answer. -open reply-(optional)	
There is too much scope for evasion.;	
<b>Tax on emissions</b>	
Do you consider that a tax on emissions could achieve the emission reduction required effectively and efficiently? -single choice reply-(optional)	Partially agree
Please substantiate your answer -open reply-(optional)	
An emissions tax is likely to have a similar impact to ETS. A fuel tax on small/intra-EU emitters together with membership of a Compensation Fund whose contributions were based on emissions could be supplemented by a speed regime for all ships.	
<b>Choice of policy options</b>	
Compensation fund -single choice reply-(optional)	1
Mandatory emission reduction per ship -single choice reply-(optional)	3
Emission trading system -single choice reply-(optional)	2
Tax -single choice reply-(optional)	1
Environmental effectiveness (ensure effective emission reduction in line with the 2°C objective) -single choice reply-(optional)	1
Maintain the competitiveness of the EU -single choice reply-(optional)	4
Maintain competitiveness of the EU maritime sectors, while giving them the first mover advantage, by providing incentives to increase fuel efficiency before the rest of the world adopt specific measures -single choice reply-(optional)	4

Enforceability (Ensure appropriate monitoring, reporting and verification while keeping administrative burden to the minimum) -single choice reply-(optional)	2
Consistency with the related EU policies -single choice reply-(optional)	3
Vulnerability: Exposure to/Risk of evasion -single choice reply-(optional)	2
Timeliness (Consistency with timing of application of measures and interaction with policy progress in international fora) -single choice reply-(optional)	4
Should other criteria be used? -single choice reply-(optional)	Yes
Please substantiate your answer. -open reply-(optional)	
The measures needed not only to achieve an emissions reduction target but achieve in sector reductions. The measure needs to incentivise these and be measurable. Any measure must deliver at least 50% revenues to the Green Climate Fund and ensure impacts of LDCs are compensated. EU action must take account of 'progress' at IMO and be able to be integrated into an eventual global measure.	
Regardless of the option proposed, should the maritime sector be in principle authorized to use international credits (e.g. from the Clean Development Mechanism) for its compliance ? -single choice reply-(optional)	No
Should the maritime sector be authorized to use international credits subject to quantitative and qualitative limits, along the same lines as for other sectors? -single choice reply-(optional)	No
What kind of restriction (quantitative and qualitative) should apply on these international credits? -open reply-(optional)	
There should be no access to international credits.	
<h2>General comments</h2>	
Please feel free to give any additional comments. -open reply-(optional)	