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I will focus on the sustainability of waterborne transport seen from the perspective of Europe's shipyards and maritime equipment manufacturers.

No doubt the European Green Deal is THE flagship of this European Commission and the waterborne industry has a core place therein because it is seen as an important contributor to air pollution and climate change.

Following the publication of the European Green Deal Communication in December 2019, the European Commission has launched a series of related initiatives and more initiatives are expected in the coming weeks and months. I will only mention three of them:

- Firstly, the European Commission wants to **include shipping into the EU ETS**. In other words, shipping companies should have annual caps on the total amount of GHG emissions that they can emit and buy emission allowances. These caps will be lowered over time so that the more polluting shipping companies will have to buy more expensive emission allowances from less polluting companies or reduce their GHG emissions. In this way, the European Commission hopes to reduce GHG emission from shipping. A Commission legislative proposal is expected before summer of 2021. Instead of EU ETS, SEA Europe has proposed to set-up an EU Maritime Fund under which the funds collected from the polluter would be reinvested directly into the maritime sector so as to accelerate zero-emission waterborne transport.
- Secondly, a Commission legislative proposal – called **FuelEU Maritime** – is expected soon. This proposal wants to address market barriers hampering the use of sustainable alternative fuels in shipping and ports and identifying uncertainties about the market readiness of “green” technologies. For SEA Europe, such proposal should not impose any specific technologies or any specific alternative fuels. Instead, it should be left to the market and to the industry to develop and choose the promising technologies and alternative fuels that they consider fit for their business and competitive position.
- Thirdly, the European Commission is carrying out the **Green Taxonomy**. This exercise, taking place behind closed doors with pre-selected stakeholders (SEA Europe was not selected) aims at identifying green technologies and alternative fuels, which in future will continue to receive EU funding or will become eligible for EU funding.

For SEA Europe, this exercise is very relevant, for instance, to secure that LNG will continue to be an alternative fuel for some time or that scrubber technology will continue to qualify as a green technology.

Besides these three initiatives, the European Commission and EU Member States have approved the so-called ***co-Programmed Partnership on Zero-Emission Waterborne Transport***. This partnership was developed under the wings of the Waterborne Technology Platform, with SEA Europe in a leading position, and will financially support research and development to accelerate zero-emission waterborne transport, in line with the targets of the European Green Deal. To that end, a budget of €530 million will be made available for the period 2021-2027.

When lobbying the EU Institutions, SEA Europe calls for a “***technology and fuel neutrality***” as well as for a “***goal-based approach***”. In SEA Europe’s opinion, policymakers should not impose or prescribe specific green technologies or alternative fuels but they should instead stimulate all options available and realize that, due to the large variety of ship types and ship trades, there is simply no “one-size-fits-all” solution for zero-emission waterborne transport. At the same time, it remains essential to allow – during a transitional period –the ***continuation of fossil fuels with significant emission reduction potential***. Internal combustion engines and LNG technology will still play a significant role in the decarbonization of waterborne transport if e.g. utilized with climate-neutral synthetic fuels.

Business decisions and investments towards zero-emission waterborne transport must benefit from a ***stable legal framework***. Without legal certainty, companies will refrain from making huge investments. This legal certainty also means that agreed application dates for green technologies, enforced by IMO instruments, should be respected. Without legal certainty, first movers will refrain from moving forward. Their decisions must remain valid for some time, even if new superior solutions are available.

Last but not least, the European Commission and EU Member States should use the political momentum of Covid-19 and the European Green Deal to rethink their policies on shipyards and maritime equipment manufacturing. As I said in my speech, the European Green Deal is an excellent opportunity for Europe to maintain its global leadership in complex ships and complex maritime equipment manufacturing. But at the same time funds, such as those from the EU Recovery and Resilience Fund, should be used to stimulate ***fleet renewal and retrofitting***, not just to accelerate zero-emission waterborne transport, but also to stimulate domestic demand.