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## **SHIPPING – ADAPTING TO (CLIMATE) CHANGE: THE “FIT FOR 55” CLIMATE PACKAGE**

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We are all aware of the fact that shipping has become somewhat of a target for not complying with regulations to preserve and protect our environment – which is totally unfounded and unfair. After all, vessels which shipowners operate are built by shipbuilders / engine manufacturers and fueled by oil companies. Basic common sense would suggest that oil companies and engine manufacturers should be on the forefront in the agenda for compliance.

In this climate crisis we are facing, it is ALL about the environment. With this in mind, President Von der Leyen published the EU Green deal “Fit for 55” in July this year addressing all sectors of economic activity. It contains 12 legislative drafts out of which 6 will apply to shipping.

There have been issues of friction between the EU and the IMO. The main coordinating body for shipping can only be the IMO which is the global standard setting authority for the safety, security and environmental performance of international shipping and at the world at large. The IMO’s role has always been integral in preventing the pollution of the world’s oceans from ships and shipping which is why any legislative drafts need to come under the auspices of the IMO.

The EU ETS (Trading with other Sectors) is one of the main proposals implementing the EU’s target of achieving net emission reductions of at least 55% by 2030 compared to 1990 levels as laid down by the European Climate Law.

The Commission is proposing that emissions from the EU ETS sectors are reduced by 61% by 2030, compared to 2005 levels. This is an increase of 18% points compared to the current 43% emissions reduction. To reach this target, the Commission proposes a steeper annual emissions reduction of 4.2%. The Commission estimates that in a business-as-usual scenario, emissions from shipping are projected to grow by 14% between 2015- 2030 and 34% between 2015 and 2050.

There have been no other sectors of EU legislation referring to environmental issues for shipping adopted recently. The said legislative drafts will be subject to extensive consultations between the EU institutions (Council of Ministers, European Parliament, European Commission). It is expected that the consultations will take place in 2021-2022, with room for lobbying by ECSA and national Shipowners associations.

**The major proposals for shipping in the ‘Fit for 55’ Climate Package are:**

- **Draft Directive on EU ETS for Shipping**
- **Fuel EU Maritime Regulation**
- **Energy tax directive**

All three are very problematic for shipping because they entail regional application undermining the international scope of a global industry such as shipping (which requires international solutions via IMO). They do not take into account the specifics of shipping activities and more particularly of the tramp sector (tramp vessels are vessels that do not operate under any regular schedule from port to another, but call any port where cargo may be obtained).

The draft proposals for Shipping impose obligations on Shipowners which should be addressed by fuel providers and engine manufacturers (e.g. the fuel EU maritime). They are inconsistent and incoherent between them. They impose bureaucratic burdens on small and medium sized shipping companies curtailing their competitiveness.

We do not wish to sound like we are trying to avoid our responsibility in the global effort to reduce CO2 emissions – like an angry child, who ‘throws his toys out of the pram’. We are constantly challenging ourselves, promoting climate change, environmental protection and sustainable development on all fronts. Shipping sectors share an ongoing process of reducing our carbon footprint for years. For well over 100 years, naval architects and marine engineers spend time in perfecting internal combustion engines in all types of vessels. Today, the industry is responding to climate change, moving at an accelerating pace to develop vessels that are more fuel efficient, burn cleaner fuels and in some cases, don’t use any fuel at all.

Perhaps the shipping sector has become a target because the shipping community did not really make a concerted and persuasive effort to elevate their position and concern about reducing CO2 emissions; in addition, we should have been more transparent with our responses and immense efforts, in adopting measures to protect our environment. This has been the root cause for accusing the shipping sector as being one of the major CO2 culprits, when maritime transport emits 940 million tons of CO2 annually & is responsible for 2.5% of global greenhouse gas GHG emissions. Fuel companies whose relentless exploitation of the world’s oil, gas and coal reserves are directly linked to more than 1/3 of all greenhouse gas emissions in the world. New data from world renowned researchers reveals how state owned and multinational Oil firms are driving climate emergency that threatens the future of humanity and continue to expand their ops despite being aware of the industry’s devastating impact on the planet.

This past summer with the relentless heat waves and fires which cost the livelihood of thousands of our fellow people – not just in Greece but the world over – it is clearer more than ever that we have a climate in crisis. In a couple of months’ time, in Nov 2021, the UK will host an event many believe to be the world’s last chance to get climate change under control. **‘COP26’ (the 26<sup>th</sup> annual summit)** is the 2021 United Nations climate change conference which will take place in Glasgow. COP21 took place in 2015 and the Paris Agreement was born. US President Donald Trump formally withdrew from the Paris Agreement in June 2017 and President Biden rejoined the global effort in Feb ‘21. We have a responsibility to reduce our part of global greenhouse gas emissions, a responsibility which we take very seriously. However, what we ask is that European shipping via a vis European institutions do at best “a damage limitation “exercise of these proposals when they become legally mandatory. At the end of the day, we have to ask ourselves, what can we do for our planet?

