



# **5<sup>th</sup> Florence Intermodal Forum**

## **Internalising the external costs of transport**

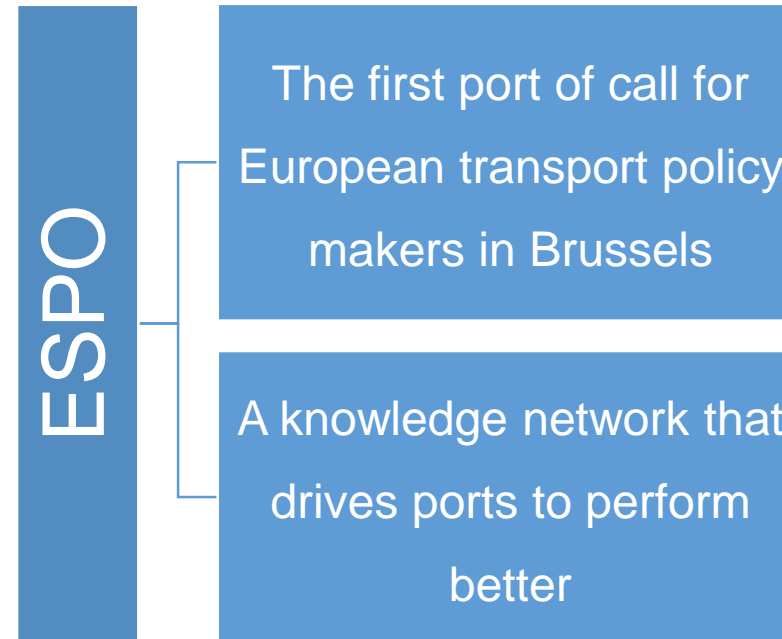
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European University Institute/School of Regulation

Florence, 20 May 2019

# European Sea Ports Organisation

- **Port authorities**
- **Port associations**
- **Port administrations from EU and Norway**
- **Observers: Iceland, Israel & Ukraine**
- **Since 1993**

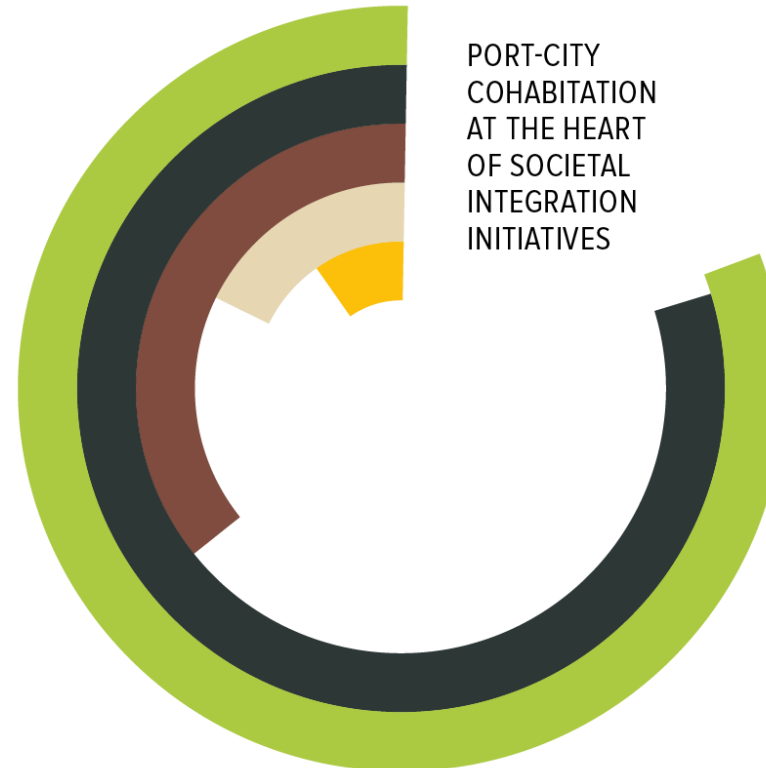


# 90% of European ports are urban ports



## INITIATIVES LED BY THE PORT AUTHORITY AIMED AT IMPROVING SOCIETAL INTEGRATION OF PORT ACTIVITIES

- 81% Initiatives to establish cohabitation with local communities in and around the port area
- 80% Initiatives to make society experience and understand the port
- 36% Initiatives to attract young people to work in the port
- 18% Other societal integration initiatives
- 10% None



1



Air quality

2



Energy  
consumption

3



Noise

4



Relationship with  
local community

5



Ship waste

6



Port development  
(land related)

7



Climate change

8



Water quality

9



Dredging  
operations

10



Garbage /  
Port waste

**Top 10 environmental  
priorities of European  
ports for 2018**

## TOP 10 ENVIRONMENTAL PRIORITIES OF THE PORT SECTOR OVER YEARS

	1996	2004	2009	2013	2016	2017	2018
1	Port development (water)	Garbage/ Port waste	Noise	Air quality	Air quality	Air quality	Air quality
2	Water quality	Dredging operations	Air quality	Garbage/ Port waste	Energy consumption	Energy consumption	Energy consumption
3	Dredging disposal	Dredging disposal	Garbage/ Port waste	Energy consumption	Noise	Noise	Noise
4	Dredging operations	Dust	Dredging operations	Noise	Relationship with the community	Water quality	Relationship with the community
5	Dust	Noise	Dredging disposal	Ship waste	Garbage/ Port waste	Dredging operations	Ship waste
6	Port development (land)	Air quality	Relationship with the community	Relationship with the community	Ship waste	Garbage/ Port waste	Port development (land)
7	Contaminated land	Hazardous cargo	Energy consumption	Dredging operations	Port development (land)	Port development (land)	Climate Change
8	Habitat loss/ degradation	Bunkering	Dust	Dust	Water quality	Relationship with the community	Water quality
9	Traffic volume	Port development (land)	Port development (water)	Port development (land)	Dust	Ship waste	Dredging operations
10	Industrial effluent	Ship discharge (bilge)	Port development (land)	Water quality	Dredging operations	Climate Change	Garbage/ Port waste

# **Income of port authority**

- General port dues charged on ships calling at the port
- Land lease fees charged to cargo handling operators
- Port dues may represent half of ports' revenues
- Port dues only represent 5% up to 10% of the total cost of a ship calling at a port





# Green rebates

- 54% of European ports offer green discounts
- Bottom-up and voluntary decision of each port
- In line with their port strategy and regional environmental challenges and within their financial capacity
- Port dues: essential source for port investments including green infrastructure



# Green rebates

- Rewarding first movers
- Better market reputation
- Port dues should not be used to turn ports into convenient tax collectors and undermine their financial autonomy
- Port dues not a tool for internalising the external costs (environmental, accidents, congestion) of maritime shipping

# Emission Control Areas

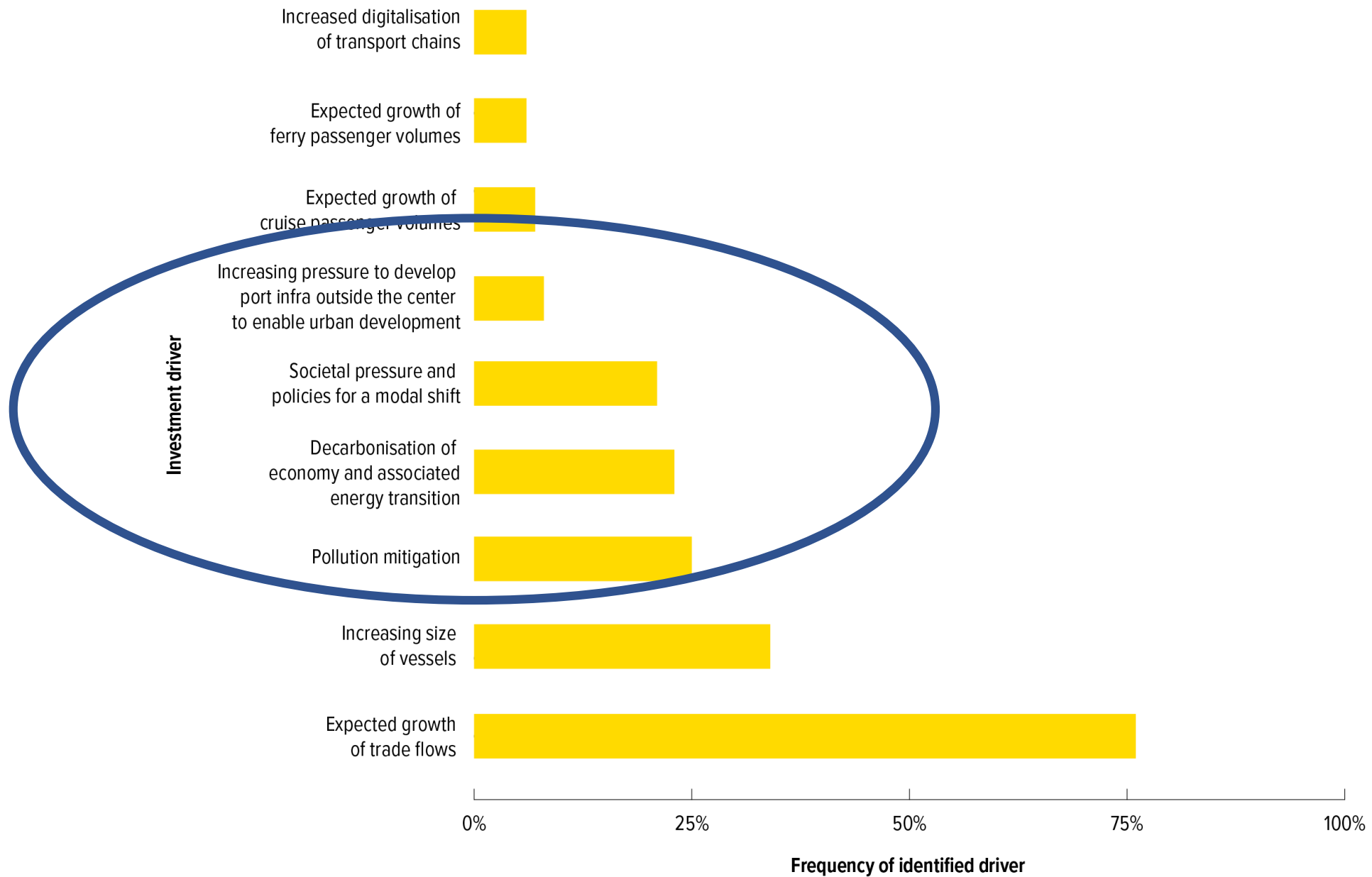


# **Achieving internalization objectives through non pricing measures**

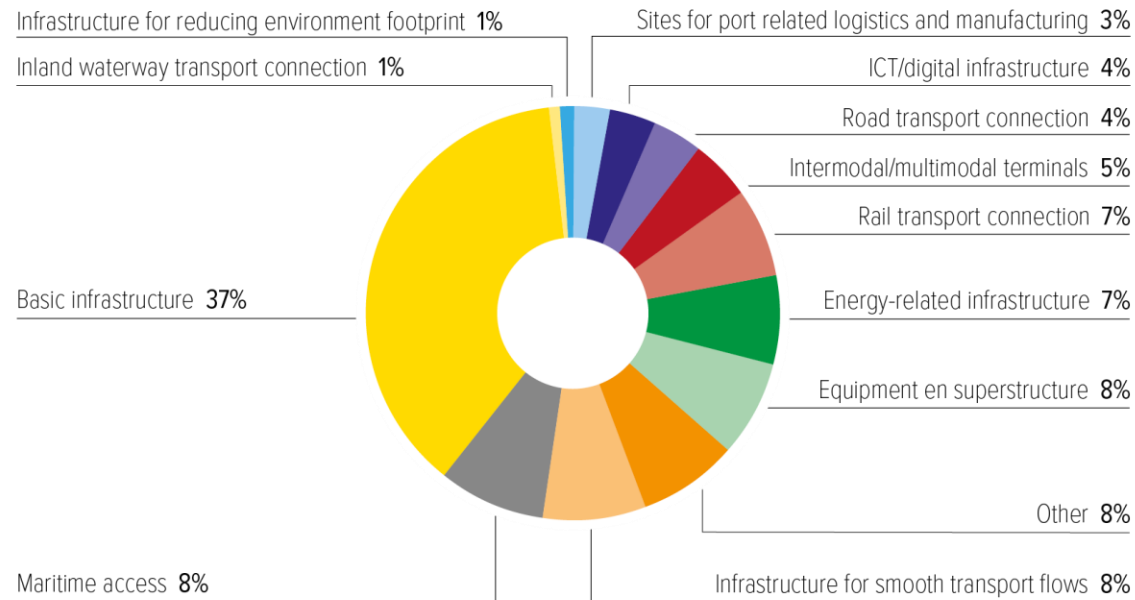
- SO<sub>x</sub> 0.1% in SECAs
- SO<sub>x</sub> 0.5% globally in 2020
- NO<sub>x</sub> Tier III standard for new ships in NECAs in 2021
- CO<sub>2</sub> emissions at IMO & EU (MRV and GHG Strategy)
- Directive on the deployment of alternative fuels infrastructure
- National Emission Ceilings Directive
- Ambient Air Quality Directive

# Role of ports: Infrastructure challenges

- Availability of future fuels
- Technical challenges in storage and bunkering for some future fuels
- Availability of renewable electricity
- Policy barriers - coherence



# 48 billion EUR investment needs in ports in coming 10 years



Source: ESPO study - THE INFRASTRUCTURE  
INVESTMENT NEEDS  
AND FINANCING  
CHALLENGE OF  
EUROPEAN PORTS - 2018



**Thank you for your attention!**

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