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of the European Maritime Safety Agency in the field of response to pollution
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COMMISSION STAFF WORKING PAPER

Ex ante evaluation

Accompanying the proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on multi-annual funding for the action of the European Maritime Safety Agency in the field of response to pollution caused by ships and to marine pollution caused by oil and gas installations

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1. INTRODUCTION

The European Maritime Safety Agency ("the Agency"), established in 2002¹, was assigned tasks in the field of pollution response in 2004². Bearing in mind the long-term nature of the Agency's responsibility for pollution response, the efficient and thorough completion of the tasks involved requires appropriate financial security based on a multi-annual commitment. Therefore, in 2006 the EU legislator established multi-annual funding for the Agency's action in the field of response to pollution caused by ships for the period from 2007 to 2013³. This ex-ante evaluation examines the case for renewing the mechanism for the period from 2014 to 2020. The documents used for this evaluation are listed in Annex I.

Current EU expenditure in the area of pollution response caused by ships is channelled through the annual budget of the Agency. Regulation 2038/2006/EC, Article 4 states that annual appropriations shall be determined by the budgetary authority within the limits of the financial framework. In this context, the necessary funding of operational assistance to the Member States pursuant to Article 3(c) is to be guaranteed.

There is no other EU body carrying out similar activities. Some activities related to the pollution response activities of EMSA are undertaken by the European Monitoring and Information Centre (MIC) managed by the Commission services active in the field of civil protection and disaster response. However, the MIC does not have marine pollution response assets at its disposal. Its role is to facilitate and co-ordinate provision of the European assistance, including that from EMSA. Therefore, pollution response means managed by the Agency are made available to the affected country on the basis of requests received via the MIC.

¹ Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency (OJ L 208 of 5.8.2002, p. 1).

² Regulation (EC) No 724/2004 of the European Parliament and of the Council of 31 March 2004 (OJ L 129 of 31.4.2004, p. 1).

³ Regulation (EC) No 2038/2006 of the European Parliament and of the Council of 18 December 2006 on multiannual funding for the action of the European Maritime Safety Agency in the field of response to pollution caused by ships and amending Regulation (EC) n° 1406/2002 (OJ L 394 of 30.12.2006, p. 1. See also corrigendum in OJ L 30 of 3.2.2007 p. 12, which rectifies the number of the Regulation).

The Agency has been subject to a number of evaluations, audits and feedback from stakeholders during the period 2007-2009 in relation to its pollution preparedness, detection and response activities. An overview is provided in Annex II. The various evaluations have demonstrated the positive evolution in the stakeholders' perspective of EMSA's capacity to implement complex projects that bring added value to the pollution activities of Member States. In the preparation of the Multi-Annual Funding Mid-term Report on the actions of the Agency in the field of pollution preparedness and response to ship-sourced pollution, EMSA consulted its key stakeholders. The focus of this consultation was to obtain feedback on the way EMSA has implemented these tasks during the period 2007-2009, as well as to receive comments regarding the possible future evolution of EMSA's work in this field beyond 2013. The main results of the consultation show that, according to the views of stakeholders, EMSA's Network of Standby Oil Spill Response Vessels has high technical and operational capabilities, that the CleanSeaNet Service as a European monitoring and surveillance service is considered as very efficient and provides added value, and that EMSA has established good relations with the Member States and the Regional Agreements.

2. POLICY BACKGROUND

In 2004, the Agency was given tasks in the field of pollution preparedness and response. The initial framework for these activities was described in the Action Plan for Oil Pollution Preparedness and Response (2004 Oil Action Plan). With the adoption of Directive 2005/35/EC on ship-source pollution, mandating the Agency to provide technical assistance "such as tracing discharges by satellite monitoring and surveillance", a new task of detecting and monitoring oil spills in European waters was added and incorporated into the Action Plan.

Initially the Agency concentrated its pollution preparedness and response activities on tasks related to oil pollution. Nevertheless, from the beginning it was also recognised that further actions would be necessary to address pollution caused by hazardous and noxious substances (HNS). Following a workshop with experts from the Member States and the Commission in February 2006, the Agency developed the Action Plan for HNS Pollution Preparedness and Response (2007 HNS Action Plan), which was adopted by EMSA's Administrative Board in June 2007. Both action plans are updated through the annual EMSA Work Programme.

Regulation 2038/2006/EC has reserved a financial envelope of EUR 154 M for the implementation of these tasks for the duration of the 2007- 2013 Financial Perspectives. This allows the Agency to better plan its expenditure in particular for the multi-annual contracts for the pollution response vessels and for the provision of satellite services. The activities of the Agency in the field of pollution response are in three main categories, namely:

- Operational assistance (Network of Standby Oil Spill Response Vessels, CleanSeaNet⁴ and MAR-ICE⁵);

⁴ CleanSeaNet is the European satellite oil spill monitoring and vessel detection service.

⁵ MAR-ICE Network: Marine Intervention in Chemical Emergencies Network (MAR-ICE) is a network of experts created by EMSA in close cooperation with CEFIC (the European Chemical Industry Council), and Cedre (the Centre of Documentation, Research and Experimentation on Accidental Water Pollution).

- Cooperation and coordination (relations with national and international bodies including participation in operational exercises and training);
- Information (promoting best practice to address pollution issues including the development of decision support tools and studies).

The Agency's Administrative Board established the "top-up" philosophy behind developing operational pollution response activities at an EU level. The underlying principles of EMSA's assistance to Member States are:

- EMSA's assistance should not affect the prime responsibility of affected coastal States for operational control of pollution incidents, nor should it replace existing capacities of coastal States;
- EMSA's operational tasks should be a "logical part" of the pollution response mechanism of coastal States requesting support and should "top-up" the efforts of coastal States by primarily focussing on spills beyond the national response capacity of individual Member States;
- EMSA's services should be channelled to requesting states through the existing EU mechanism in the field of civil protection (MIC);
- The requesting state will have EMSA's assistance at its disposal and under its command and control. Whilst initially national authorities have to bear the operational costs incurred by the vessel, reimbursement mechanisms exist through the international oil spill compensation regime (e.g. CLC 92⁶, Fund 92⁷, 2003 Supplementary Fund Protocol⁸) with an upper limit in excess of EUR 800 M per oil tanker incident. There are other mechanisms which cover spills from non-tankers.
- EMSA's operational role should be conducted in a cost efficient way;
- EMSA's activities should respect and build upon existing cooperation frameworks and regional agreements. In addition, EMSA should strengthen existing arrangements and should create coherence in this field within the European Union.

In March 2010, the EMSA Administrative Board endorsed the 5-Year Strategy⁹ for the Agency. It stated that a review of the pollution preparedness, detection and response activities would be undertaken on the basis of a new risk assessment (updating the one of the 2004 Oil Action Plan) and based in part on the experience gained and insights acquired over the intervening years. The 5-Year Strategy indicated that, in order to be able to make an educated decision regarding the optimal size of the Network of Standby Oil Spill Response Vessels, the following information needed to be available:

⁶ The International Convention on Civil Liability for Oil Pollution Damage, 1992 (1992 Civil Liability Convention).

⁷ The International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, 1992 (1992 Fund Convention).

⁸ The Protocol of 2003 to the 1992 Fund Convention (Supplementary Fund Protocol).

⁹ The document is available at the EMSA website under:
<http://www.emsa.europa.eu/news-a-press-centre/external-news/item/145-emsa-5-year-strategy.html>.

- "a) The costs of the system; in particular those of increasing or decreasing the density of EMSA contracted response vessels along the EU coastline;*
- b) The benefits of the system; in particular the performance that can be expected – in terms of tonnes of pollutant substance recovered at sea – of the present network of contracted response vessels in case of a large accidental spill;*
- c) The chance of occurrence and what are the consequences of a large accidental spill in the various sea basins that form the EU coastline."*

The pollution preparedness and response activities of the Agency are intended to cover large accidental spills. However, since the very beginning, EMSA has also been tasked to provide assistance in addressing illegal or deliberate discharges.

By setting up CleanSeaNet, the European satellite based oil spill monitoring and vessel detection service, in 2007, the Agency met the requirements of Article 10(2)(a) of Directive 2005/35/EC. Accordingly, the 5-Year Strategy includes the objective that EMSA should further support the strengthening of the illegal discharge law enforcement chain. To that effect, the Agency could develop, in close collaboration with the enforcement community in the Member States and the Commission, new actions in the areas identified in Article 10 of the Directive, for example common practices and guidelines.

With regard to accidental spills of Hazardous and Noxious Substances, the Administrative Board, following the adoption of the 2007 HNS Action Plan, confirmed in the 5-Year Strategy the policy line that EMSA should continue to focus on developing a deeper knowledge of “what to do and what not to do” in case of marine chemical incidents. EMSA shall thus serve as a knowledge-tool providing technical assistance to Member States in case of a chemical emergency.

The issues raised by the 5-Year Strategy were addressed as part of the EMSA contribution to the Commission Mid-term Report to Parliament and Council and the associated study “EMSA Oil Spill Recovery Vessel Network – Study on the Benefits and Limitations”¹⁰. The main conclusions were that both the network of response vessels and CleanSeaNet had been established in a cost efficient manner. In parallel, the services provided were of an appropriate operational capacity in line with the “topping-up” mandate of the Agency (see Annex III for more details).

The Commission Mid-term report¹¹ is considered as ex-post evaluation of the measure. In this report the Commission concluded that no changes to the existing Regulation for the years 2007-2013 were necessary, but that the material would be used in the preparation of the proposal for the period 2014-2020.

Key EMSA pollution preparedness and response services and associated deliverables using the existing multi-annual funding framework (2007-2013) are:

¹⁰ EMSA’s Contribution to the Mid-term Report 2007-2009 regarding Regulation No. 2038/2006/EC on the Multi-annual Funding of the Agency’s Marine Pollution Preparedness and Response Activities (October 2010)

¹¹ COM(2011)286

- Network of Standby Oil Spill Response Vessels:
 - 16 contracts are currently active providing coverage for all the regional sea basins around the European Union.
 - 18 vessels, with an average recovered oil storage capacity of approximately 3500 m³ can be mobilised simultaneously and ready to sail within 24 hrs.
 - The EMSA vessels have participated in 36 international (cross-border) operational exercises since 2007. Participation in exercises facilitates the integration of EMSA services in the response mechanisms of Member States¹².
- CleanSeaNet:
 - Over 12,000 satellite images have been delivered since the service was launched in April 2007, an average of over 2000 images per year.
 - Over 1,000 million km² has been monitored.
 - Around 200 illegal discharges per year are confirmed by Member States following “on the spot” surveillance. Since the CleanSeaNet service became operational, there has been a downward trend in deliberate discharges in some European sea basins.
- EMSA pollution response services have been utilised in a total of 25 incidents since 2007 including four mobilisations of response vessels in Europe as well as one equipment assistance package to the USA during the Deepwater Horizon incident. Emergency support to affected coastal states has included response vessels, satellite imagery, MAR-ICE activation, and onsite expertise.

In parallel, the Agency has undertaken a number of activities to develop and promote best practice in the field of pollution preparedness and response across a range of issues. For the reference period, EMSA has:

- Hosted 20 expert meetings and workshops. This is in addition to regular CleanSeaNet training with Member State duty officers and meetings with Network vessel operators.
- Published seven inventories on different aspects of Member States’ preparedness and response policies and capacities.
- Managed the civil servant exchange programme “EMPOLLEX”, which has facilitated the exchange of 21 experts between Member States since its inception in June 2008.
- Developed one decision response tool for the application of dispersants during an incident.

¹² More details can be found in Annex III.

- Coordinated specific studies when needed (e.g. Study on discharge facilities, Safe Platform study: development of vessel design requirements to enter and operate in dangerous atmospheres).

In October 2010, the Commission proposed a modification to the Agency's Founding Regulation¹³, which inter alia foresaw two extensions for pollution response: (a) an extension to cover marine pollution caused by oil and gas installations and (b) inclusion of the EU Neighbourhood Policy countries as potential beneficiaries. The proposal was accompanied by an impact assessment presenting the case for the proposed extensions¹⁴. The European Parliament and the Council confirmed the two extensions. The new Regulation¹⁵ is thus based on the list of EMSA tasks as per 2012, it is important to highlight that, according to the amended Regulation, the pollution response activities are “core tasks” of the Agency.

3. PROBLEM DEFINITION

From the outset of implementing EMSA’s task in the field of ship-sourced pollution, the Agency was confronted with limitations of budget structure. The budgetary principle of “annuality” was difficult to reconcile with the need to conclude multi-annual contracts with industry (ship operators and satellite earth observation imagery providers). Such longer term contracts are needed in particular for standby oil spill response vessel arrangements and for organising CleanSeaNet services.

The existing Multi-annual Funding (MAF) Regulation has proven to be a very useful tool to enable the Agency to implement activities in the field of pollution preparedness and response. In particular, the possibility to conclude multi-annual contracts has allowed, for example, the Agency to benefit from one-off investments in pre-fitting vessels for oil recovery services and to create economies of scale for satellite based services. The (cost efficient) sustainability of the operational services, which is a key factor in their added value, is only possible through the budgetary framework provided by the MAF Regulation.

With the Agency providing sustainable services, Member States can be confident that support is available when an incident occurs. Member States can take such support into consideration when developing their national marine pollution response plans.

EMSA's tasks are laid down in its Founding Regulation as amended in 2013. The question to be addressed here is thus not what the Agency should do in the area of pollution response; the question under consideration is whether EMSA again needs a multi-annual financial framework to better plan and execute its pollution response tasks during the period 2014-2020. Furthermore, it is necessary to consider the amount which should be earmarked for these activities under the financial perspectives for 2014-2020, especially in light of the 2013 decision by the EU legislator to extend EMSA's pollution response tasks.

¹³ COM(2010)611, dated 28.10.2010.

¹⁴ SEC(2010)1264, dated 28.10.2010.

¹⁵ Regulation (EU) No 100/2013 of the European Parliament and of the Council of 15 January 2013 amending Regulation (EC) No 1406/2002 establishing a European Maritime Safety Agency (OJ L 39, 9.2.2013, p. 30).

4. OBJECTIVES OF THE PROPOSAL

The general policy objective is to ensure effective EU assistance for response to pollution caused by ships and to pollution caused by oil and gas installations by EMSA providing sustainable pollution response services to affected States.

The specific objective of the proposal is to ensure financial security in a multi-annual perspective for the continuation of EMSA's pollution response services for the period 2014-2020 taking also into account the new tasks for the Agency.

The proposal, keeping in mind the EMSA Founding Regulation as amended in 2013, should also contribute to two other EU policy objectives:

- Strengthening the disaster response capacity of the European Union;
- Support to the European Neighbourhood Policy.

5. OPTIONS

The basic approach is to put in place a multi-annual funding framework. This will facilitate the planning of services and ensure their cost efficiency. The alternative option would be to rely entirely on the annual budgetary procedure.

The second item to be considered is the amount to be earmarked taking into account that EMSA's tasks have been extended. In theory, three options can be considered:

- (a) Spending less,
- (b) Spending approximately the same amount, or
- (c) Spending more.

However, spending less would certainly lead to a situation in which the Agency would not have enough resources to fulfil its tasks. As this would be contrary to the Agency's Founding Regulation, this option has to be discarded. For the two other options, three scenarios are developed in the next part (Section 6).

6. DESCRIPTION OF OPTIONS

- Multi-annual financial framework or annual budgetary procedure

If multi-annual funding was not available to the Agency, EMSA would face a number of challenges in the execution of its tasks. The main problem would be the inherent uncertainty involved in using an annual budget to manage individual multi-annual contracts. These individual contracts, when combined, form the basis of the main operational services being provided to Member States and the Commission. For example individual response vessel contracts, currently 16 in total, have been concluded for the geographical areas where additional spill response capacity is needed, based on risk. The areas are selected taking into consideration the whole operational coverage of the Network rather than individual contracts. Multi-annual contracts for CleanSeaNet deliver cost efficiency gains through volume discounts and the sustainable service provides the opportunity for (combined) aerial

surveillance planning by Member States in advance of satellite imagery acquisition. Budgetary restrictions would most likely result in losses of financial and operational efficiency as contractors would find working with the Agency less attractive and/or adopt a short-term commercial view. In parallel, the sustainability of the pollution response services provided through the Agency, which is a prerequisite for Member States to include EMSA services in their national response chains, would be deeply undermined.

- Amount to be earmarked

The following three budget options have been developed. Option A follows the logic of spending approximately the same amount, while options B and C follow the logic of spending more:

(1) Option A

The funding envelope as proposed effectively allows only the implementation of existing tasks of the Agency. The funding under Option A would be distributed as follows: existing tasks: EUR 154.480 M / new tasks: EUR 6.020 M; Total: EUR 160.500 M.

Consequently, there would be limited additional activities in relation to the new tasks of the Agency. There would be no dedicated CleanSeaNet monitoring of offshore facilities (oil platforms) for illegal discharges (only co-utilisation of images, where possible, as ordered for ship-pollution monitoring). In parallel, there would also be no additional ships for at-sea oil recovery for any “Deepwater Horizon” scale oil spills than the new vessel for the Northern North Sea, which will be designed from the outset to fight pollution caused by ships and by offshore installations, nor any capacity building in partner countries of the European Neighbourhood Policy.

This option is based on exploiting the operational functionality of the specialised at-sea oil recovery equipment for as long as possible. Such an approach will lead to equipment that is functional but potentially sub-optimal in terms of performance efficiency as it ages despite implementing appropriate levels of maintenance. Innovation and higher performing equipment cannot be incorporated due to a lack of funding for replacing equipment.

There would be limited funding available (EUR 6.020 M) for new tasks with regard to placing of specialised equipment.

(2) Option B

This option foresees a modest increase on the existing funding envelope in order to deliver a higher level of sustainable services taking better into account the new core tasks of the Agency. The funding would be distributed as follows: Existing tasks: EUR 154.480 M / New tasks: EUR 11.345 M, Total EUR 165.825 M.

Accordingly and on top of the activities identified in Option A, there would be a prioritisation of implementing the new task of monitoring of offshore facilities (oil platforms) for illegal discharges by CleanSeaNet with only a very basic level of training for users. The remainder would be available for specialised equipment on board at-sea oil recovery vessels. Any activities in relation to the European Neighbourhood Policy (ENP) would be undertaken within the funding framework of other EU programmes.

(3) Option C

A more significant increase in available funding would allow, taking into account the existing and new core tasks of the Agency, a higher level of service deliverables. The funding would be distributed as follows: Existing tasks: EUR 154.480 M / New tasks: EUR 30.325 M, Total EUR 184.805 M.

Accordingly and on top of the activities identified in Option B, there would be two additional EMSA response vessels. Priority areas would be the Adriatic, where significant offshore facilities already exist, as well as taking into consideration regions where oil exploration and production and the associated transport of the oil as cargo is evolving rapidly e.g. south of Portugal, the Canary Islands and the Arctic. The Commission will submit a mid-term report on the utilisation of the new multi-annual financial framework in 2017. It will analyse the operational coverage of the EMSA response vessel network and will be an appropriate basis on which to determine the way forward regarding the future distribution of vessels around Europe. Such factors as oil transportation by ships as well as new developments regarding oil exploitation activities will be taken into account.

With the increased funding, it would also be possible for CleanSeaNet to provide a full service of monitoring of illegal discharges from offshore facilities across all European waters. This would include extensive training of Member State operators in order that they may maximise their use of CleanSeaNet. This would reflect more precisely the nature of the new core task assigned to the Agency in this field.

Any activities in relation to the European Neighbourhood Policy (ENP) would be undertaken within the funding framework of other EU programmes.

7. RISKS AND ASSUMPTIONS

If a multi-annual funding framework is not established for the period 2014-2020 then a number of aspects regarding the activities of the Agency in this field can be expected to evolve negatively. Such impacts and associated risks would include:

- Planning for extended periods would be possible but without a firm funding basis. Robust planning is based on reliable assumptions regarding key criteria including funding streams.
- Inherent uncertainty regarding the provision of services to Member States. This in turn would cast doubt on the level and reliability of support from the Agency that Member States could expect during an incident. Such levels of doubt could affect their own national contingency planning. This might give rise to a situation whereby a Member State is of the opinion that resources which would have been provided by the Agency need to be established from their national budget directly.
- Higher costs associated with ship operators, whose willingness to engage in activities outside their normal commercial field is crucial. They may be reluctant to engage in contracts for which, regardless of their own actual performance, renewal is in doubt.
- Short term contracts with oil monitoring and vessel detection service providers might jeopardise their willingness to invest in ground stations and advanced systems to meet the CleanSeaNet requirements.

- Regarding routine monitoring of European water for illegal discharges, it should be emphasised that, for a number of European Member States, CleanSeaNet remains the only remote sensing tool available to detect and monitor oil spills at sea. A service disruption would result in large European sea areas not being monitored.
- Planning and funding uncertainty will most likely result in less assistance being available to Member States. Less assistance available to countries affected by an oil spill would result in greater exposure of their coastline to socio-economic and environmental damage. The consequential costs will be increased significantly as generally one tonne of oil recovered at sea is the equivalent of preventing 10 tonnes oiling the shoreline.
- The European Union would be less prepared for marine accidents and disasters from shipping and/or offshore installations having a reduced emergency response capacity. This may result in increased socio-economic and environmental impacts of a major oil spill.
- Increased political consequences of a major oil spill when the European tier of response has been deliberately reduced.

The risks associated with implementing the proposed multi-annual expenditure programme and the manner of its execution, are limited. Implementation is based on procured contracts with the shipping and satellite service industries. Conceptually the main risk is a lack of market interest in providing these services. This has not been the case to date, although some procurement offers failed to be concluded. The Agency has taken deliberate measures to promote both the actual services themselves and the associated public procurement opportunities with potentially interested parties. This has resulted in a successful procurement programme. Importantly, those ship operators and satellite service providers who have entered into contract with the Agency have, in general, been ready to renew contracts.

During the existing MAF funding period, the Agency has managed to implement the policy objectives in accordance with the Key Performance Indicators identified in the annual Work Programmes (see Annex IV). Budget utilisation has been, and is projected to be for the whole seven year period, high. Utilisation of commitment appropriations is predicted to be 97.20 % whilst the equivalent value for payment appropriations is 79.48% due to the phasing-in of new scenarios and discount clauses for under performance. Based on the proposed planning for the period 2014-2020, a better budget utilisation of payment appropriations is expected.

8. EXPECTED IMPACTS FROM THE OPTIONS CONSIDERED

A number of pathways for impacts, both positive and negative, are considered. With respect to the identified commitment and payment appropriations, the analysis focusses on the provision of the at-sea oil recovery service (Network of Standby Oil Spill Response Vessels) and the European satellite oil spill monitoring and vessel detection service (CleanSeaNet). These two services are expected to consume the vast majority of the appropriations envisaged under the multi-annual funding instrument.

It should be noted that there are two main contexts with regard to the abovementioned services, namely accidental spills or deliberate discharges. The source of these releases of oil also needs to be considered i.e. from a ship or from an offshore facility. In parallel, the

Agency’s objective and therefore the nature of EMSA activity in such scenarios must also be reflected. The combinations of these variables are shown in the table below.

Mitigation of socio-economic and environmental impacts refers to limiting the negative effects of oil contaminating the coastline and on economic resources such as fisheries and tourism. In addition, consideration has been given to the political impact of major incidents.

The “deterrent effect” refers to actions taken to discourage ships/platforms from breaking their legal obligations with respect to discharges by proactively monitoring their day-to-day operations.

It should be noted that the Network of Standby Oil Spill Response Vessels is designed to intervene in large spills, accidental in nature. CleanSeaNet can, and does, support accidental response operations but it is primarily designed to identify deliberate illegal discharges which tend to be smaller in scale but much more frequent and to have a deterring effect.

Accordingly, the Agency services are “multi-purpose” with respect to the scenarios to which they can be used. The table below illustrates the links between the sources of oil spills, the aims of EMSA intervention and the Agency services involved.

Source	Context of Release	Objective of EMSA Activity	Nature of EMSA Activity	EMSA Pollution Response Services involved ¹⁶
Ship	Accidental spill	Active intervention: Mitigation of socio-economic and environmental impacts	Response operations: At-sea oil recovery and/or oil slick surveillance	(4) Network of Standby Oil Spill Response Vessels (5) CleanSeaNet (6) Expertise: Onsite and/or remote support
	Deliberate discharge	Deterrent effect	Monitoring and detection: Oil slick surveillance, vessel identification, triggering/supporting follow-up actions by MS	(1) CleanSeaNet (2) Expertise: Remote support
Offshore facility	Accidental spill	Active intervention: Mitigation of socio-economic and environmental impacts	Response operations: At-sea oil recovery and/or oil slick surveillance	(1) Network of Standby Oil Spill Response Vessels (2) CleanSeaNet (3) Expertise: Onsite and/or remote support

¹⁶ Note that additional resources within the Agency will also be involved e.g. SafeSeaNet (SSN) and the Maritime Support Services (MSS) however these are outside the multi-annual financial framework.

	Deliberate discharge	Deterrent effect	Monitoring and detection: Oil slick surveillance, triggering/supporting follow-up actions by MS	(1) CleanSeaNet (2) Expertise: Remote support
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The tables below analyse different options for the main two EMSA services with respect to investment level by EMSA and MS and their operational impacts (benefits) as well as EU cost efficiency.

EMSA At-sea oil recovery service: Network of Standby Oil Spill Response Vessels					
Source of Spill: Ship or Offshore facility					
Scale of Spill: Large					
Option		Investment Level (EUR)	Socio-economic and Environmental Benefit (EUR)	Overall Combined Beneficial Effect of EMSA and MS Operations / Resources	European Union Cost Efficiency (Cost to EU for EMSA Added Value Activities) (EUR)
1: EMSA “Do nothing” Member States individual responsibility to provide all response capacity needed within limitations of national budgets.	EU	Zero	Zero	Low	Neutral ↔
	MS	Very High	Medium/Low	↓ ↓ ↓ (Insufficient capacity for major incidents)	
2: EMSA in contractual relations with ship-owners/operators who have already invested in the vessels. Member States “topped up” by EMSA resources	EU	Medium	Medium	High ↑ ↑ ↑	High ↑ ↑ ↑
	MS	Medium	Medium	(Combined EMSA/MS response capacity)	
3: EMSA as Ship-owner/ship-operator. Member States “topped up” by EMSA resources.	EU	Very high	Medium	High ↑ ↑ ↑	Very low ↓ ↓ ↓ ↓ ↓
	MS	Medium	Medium	(Combined EMSA/MS response capacity)	

EMSA Oil spill monitoring and vessel detection service: CleanSeaNet					
Source of Spill: Ship or Offshore facility					
Scale of Spill: Small to Large					
Option		Investment Level (EUR)	Socio-economic and Environmental Benefit (EUR)	Overall Combined Beneficial Effect of EMSA and MS Operations / Resources	European Union Cost Efficiency (Cost to EU for EMSA Added Value Activities) (EUR)
1: EMSA “Do nothing” Member States individual responsibility to provide the full detection and response chain within limitations of national budgets.	EU	Zero	Zero	Low	Neutral ↔ (At high costs for Member States)
	MS	High (No cross fertilisation between MS - Duplication of service development and operation at MS level)	High/Medium (The equivalent capacity of CleanSeaNet would not be available in every MS)	↓↓↓ (Only partial capacity throughout Europe)	
2: EMSA is in contractual relations with satellite owners <u>and</u> operational service providers which have already invested in the relevant sectors. Member States response chain activities, including aerial surveillance, are complemented by EMSA CleanSeaNet service.	EU	Medium	High	High	Very High ↑↑↑↑↑
	MS	Very Low (MS can focus on other elements of the response chain as EMSA provides detection services)	Medium (More efficient use of aerial resources)	↑↑↑ (European wide capacity- Combined EMSA/MS detection and response chain)	
3:	EU	Very high	High	High	Low

<p>EMSA is in contractual relations with satellite owners <u>but</u> undertakes itself the operational image analysis (instead of contracting service providers – like in option 2).</p> <p>Member States response chain, including aerial surveillance, is complemented by EMSA CleanSeaNet service.</p>	<p>MS</p>	<p>Zero</p> <p>(MS can focus on other elements of the response chain as EMSA provides detection services)</p>	<p>Medium</p> <p>(More efficient use of aerial resources)</p>	<p>↑↑↑</p> <p>(European wide capacity- Combined EMSA/MS detection and response chain)</p>	<p>↓↓↓</p> <p>(Existing industry capacity/ investment not taken into account)</p>
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Whilst the above tables provide a strategic overview of the impacts expected of the actions to be funded through the multi-annual envelope, the tables below show the impacts from the perspective of projected deliverables.

It should be highlighted that the type and scale of deliverables shown, whilst based on previous experience in this field, are considered as indicative for the period 2014-2020. This is partly due to the natural general uncertainty of predicting all actions so far into the future but also that a number of activities are directly linked to the active cooperation/collaboration of external parties. An example would be the organising of operational (at-sea) exercises by Member States and EMSA's participation in such events.

With respect to new tasks related to the offshore oil/gas exploration and production industry, foreseen to enter into force in 2012, the gap analysis (as detailed in the aforementioned Mid-term report of 2011) of the existing network coverage identified the following areas as needing additional response capacity:

- The Northern North Sea: The North Sea has the largest number of known oil fields and offshore installations. Due to the shallowness of this area, the majority of platforms are in shallow waters of less than 300 m depth. Deep sea oil installations can be found east and west of the Shetland Islands and west of Norway.
- The Adriatic Sea: There are a large number of offshore installations around Italy and these facilities are located in the Adriatic Sea, in the Ionian Sea, and in the Sicily Channel.
- In the Arctic region, oil and gas are currently produced in the shallow waters of the Barents Sea and the Norwegian Sea. The Barents Sea is one of the widest shelf areas in the world, and has a mean depth of 230 m. Both Russia and Norway are exploiting the area which, from an ecological point of view, is considered to be very sensitive to oil and gas development.
- The Canary Islands: Based on current information, it is expected that during the 2014-2020 period there will be exploration and production activities around the Canary Islands as well as south of Portugal. There is currently no coverage (48 hours sailing) of the response vessel Network for this area.

It is important to note that any additional capacity will also become available to support response to oil spills from ships. This is particularly relevant for the Northern North Sea area as mentioned above. The overall effect is to reinforce the disaster response resources of the European Union.

With respect to CleanSeaNet, the assumptions are that full monitoring of offshore oil production facilities every three days would require between 2,400 – 3,200 images/year. 50% of this amount can be covered through the “double usage” of images acquired in relation to the existing task of monitoring and detecting illegal oil discharges from ships. The overall impact of monitoring offshore facilities would be an increase of approximately 1,200 images/year. It is worth highlighting that CleanSeaNet has European wide coverage including the ecologically sensitive Barents Sea where substantial oil and gas exploration is already underway.

Regarding Agency support to the European Neighbourhood Policy (ENP), which includes 16 countries from Eastern Europe, South Caucasus and the South shore of the Mediterranean, the overall objective is to provide technical assistance, including the organisation of relevant training activities. Capacity building through knowledge transfer requires a start-up phase of training for all appropriate personnel across a range of pollution response and associated contingency planning issues. This could be expected to involve Member State experts as well as EMSA staff. Such training should be continued thereafter on the basis of maintaining the level of knowledge transferred. In addition, there could be familiarisation activities regarding available EMSA services and how they could be utilised if/when required. Such activities should include at-sea operational exercises involving EMSA vessels and technical induction for CleanSeaNet operators. Whilst, under the amended EMSA Regulation, the Agency has been tasked with activities in relation to the European Neighbourhood Policy, no appropriations are available under this multi-annual funding envelope. Accordingly, the implementation of such activities will depend on the existing funding mechanisms for European Neighbourhood Policy purposes.

The tables below show the various deliverables (Network of Response Vessels, CleanSeaNet etc.) per type of task (existing or new) under the three different funding options.

Option A: Covering Existing Tasks: Indicative Deliverables

Existing Tasks		2014	2015	2016	2017	2018	2019	2020	Total
Network of Standby Response Vessels	Vessels available for simultaneous mobilisation within 24 hours	19	19	19	19	19	19	19	19
	Operational (At-sea) Exercises with MS	12	12	12	12	12	12	12	84
	Notification (Alert) Exercises with MS	12	12	12	12	12	12	12	84
	EMSA / Contractor Drills (Verification of Contracted Services)	80	80	80	80	80	80	80	540
	Improvement projects	1	3	1	2	2	2	2	13
CleanSeaNet	Images ordered and analysed per year	2000	2000	2000	2000	2000	2000	2000	14000
	Support to Joint MS Aerial Surveillance Operations	2	2	2	2	2	2	2	14
	New contracts and improvement projects	5	0	0	1	5	0	0	11
	Datacentre Availability	24 hrs. per day	24 hrs. per day	24 hrs. per day	24 hrs. per day	24 hrs. per day	24 hrs. per day	24 hrs. per day	24 hrs. per day
HNS Operational Support	MAR-ICE (HNS) Incident Response Information: Service Availability	24 hrs. per day	24 hrs. per day	24 hrs. per day	24 hrs. per day	24 hrs. per day	24 hrs. per day	24 hrs. per day	24 hrs. per day
Cooperation, Coordination and Information	User group meetings and workshops for CTG-MPPR, Vessel Network & CleanSeaNet	5	5	5	5	5	5	4	34
	User training sessions for CleanSeaNet, CTG-MPPR & HNS Services	4	4	3	5	4	4	3	27

	Support tools, studies and reports	2	2	2	2	2	2	2	2	14
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Option A: New Core Tasks - Minimum Implementation:

Indicative Deliverables

New Tasks		2014	2015	2016	2017	2018	2019	2020	Total
Network of Standby Response Vessels	Specialised Improvement projects for platform response	2	1	1	1	1	1	1	8
Contract Agents	To support implementation of Existing and New core activities								0

Option B, as shown in the table below, involves a modest increase of approximately EUR 11 M in the proposed funding envelope for the new core tasks. Accordingly, there are no additional activities for existing tasks in comparison to Option A.

Option B: New Core Tasks - Marginal Compliance:

Indicative Deliverables in addition to Option A

New Tasks		2014	2015	2016	2017	2018	2019	2020	Total
Standby Response Vessels for Offshore Spills	Specialised Improvement projects for platform response	0	1	0	1	0	0	0	2
CleanSeaNet for Offshore Monitoring	Images ordered and analysed per year for platform spills	1000	1000	1000	1000	1000	1000	1000	7000
	New contracts and improvement projects	1	1	0	0	1	1	0	4
Cooperation, Coordination and Information	CSN User Group Meetings for platform user community	1	1	1	1	1	1	1	7
	CSN User training sessions and workshops for platform user community	2	0	1	0	1	0	0	4

New Tasks		2014	2015	2016	2017	2018	2019	2020	Total
Contract Agents	To support implementation of Existing and New core activities								3

Option C, as shown in the table below, involves a more significant increase of EUR 30 M which would allow a more comprehensive implementation of new core tasks than in Option A. Again, there are no additional activities for existing tasks in comparison to Option A.

Option C: New Core Tasks Compliant Implementation:

Indicative Deliverables in Addition to Option A

New Tasks		2014	2015	2016	2017	2018	2019	2020	Total
Standby Response Vessels for Offshore Spills	Vessels available for simultaneous mobilisation within 24 hours	0	0	1	0	1	0	0	2
	Operational (At-sea) Exercises with MS	0	0	1	1	2	2	2	8
	Notification (Alert) Exercises with MS	0	0	1	1	2	2	2	8
	EMSA / Contractor Drills (Verification of Contracted Services)	0	0	4	4	8	8	8	32
	Improvement projects	0	1	0	1	0	0	0	2
CleanSeaNet for Offshore Monitoring	Images ordered and analysed per year	1500	1500	1500	1500	1500	1500	1500	10500
	New contracts and improvement projects	2	1	1	0	2	1	0	7
Cooperation, Coordination and Information	CSN User Group Meetings for platform user community	2	2	1	1	2	1	1	10
	CSN User training sessions and workshops for platform user community	3	3	2	2	3	2	2	17

Contract Agents	To support implementation of Existing and New core activities	5
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In the light of the available budget within the next multi-annual financial framework, Option A was retained.

Option A is further detailed in the annexed tables (Section 16). With regard to the network of response vessels, the envisaged planning for the period 2014-2020 in table 1 maintains coverage of the current geographical areas with one vessel in the Northern North Sea available for pollutions caused by ships and by offshore installations. The milestones indicate either renewal of contracts for an additional 4 year period or (for those contracts which have expired) contracting replacement response capacity. It is expected that the requested number of images ordered and delivered by the CleanSeaNet service will increase. The integration of CleanSeaNet with other maritime applications will strengthen the effectiveness of the illegal discharge response chain.

Table 2 shows the limited implementation of the Agency's extended mandate, the additional specialised equipment for responding to spills from offshore facilities (e.g. oil platforms). Due to funding constraints, the proposal will not cover dedicated satellite monitoring of offshore facilities nor support for the Commission's activities for European Neighbourhood Policy countries.

Table 3 provides the overall amount in commitment appropriations.

Tables 4 to 6 show the expected payment appropriations needed.

9. COST-EFFICIENCY

It is proposed to carry out the existing tasks, which by the end of the 2007-2013 Perspective will be mature, for an amount of EUR 154.480 M for Commitment Appropriations and EUR 152.584 M for Payment Appropriations. This represents a marginal increase (EUR 0.480 M) when compared to the previous envelope. It must be highlighted that under the new funding mechanism, there will be more deliverables over the 7-year period, when compared to the existing envelope. A "like for like" comparison would result in a reduced budget of around 7 % in Commitment Appropriations and a similar value in Payment Appropriations.

The main cost-efficiency mechanisms that are applicable for the new funding envelope are:

(a) Utilising the experience and expertise gained from the operational/technical/contractual/financial infrastructure within the Agency that has been built up over a number of years to manage the pollution response services. By way of an example, EMSA has developed contracts for at-sea oil recovery services. Based on the experience acquired during their implementation, new procurement cycles now only require refinement as opposed to wholesale development from a "blank page" situation. The existence of in-house knowledge and established management tools streamlines the time and resources required to provide the services at the appropriate quality level.

(b) Re-using the specialised oil recovery equipment from one (expiring) contract in another (replacement) contract.

This approach is already being implemented in line with the maturation of the Network of response vessels and is expected to continue through the period 2014-2020. Avoiding the purchase of new equipment for every new contract will result in significant cost efficiencies. For the years 2014-2020, this approach will be implemented, whereby the operational functionality of the specialised at-sea oil recovery equipment will be exploited for as long as possible. Such an approach will lead to equipment that is functional but potentially sub-optimal in terms of performance efficiency as it ages despite implementing appropriate levels of maintenance. Innovation and higher performing equipment cannot be incorporated due to a lack of funding for replacing equipment.

10. COST-EFFECTIVENESS

The funding framework which would be established under the proposed Regulation is for operational activities. Staff and administrative costs will continue to be borne by Titles 1 and 2 of the EMSA budget. In order to achieve cost effectiveness, a number of practical advantages result from the approach EMSA has taken to implement its tasks:

- The overall approach of the Agency consists in contracting-in the services from relevant industries as opposed to owning the response resources (ships/satellites) directly. Owning the resources directly would entail a huge increase in budget and staffing requirements in order to make the necessary initial investment costs as well as the annual costs of the day-to-day management. The cost implications of owning such resources are prohibitive and disproportionate to the Agency's tasks.
- The service contracts are awarded following public procurement procedures. Contractors are selected based on the "most economically advantageous" offer within the framework of the tender specifications.
- Volume discounts have been achieved through the combination of the opportunity of having significant contracts with the Agency, the commercial competitiveness of the interested tenderers and the actual design of the procurement procedures. For example, the cost of setting up and running the CleanSeaNet service at European level is estimated at being 20 % less compared to the accumulated costs of similar national systems. This represents a significant economy of scale. This is supplemented by the fact that one CleanSeaNet image can often cover the sea areas of two neighbouring countries, avoiding duplication of image purchasing.
- Service contracts are designed so that "under performance" by the contractor results in reduced payments and/or savings for the Agency. For example, late delivery by the contractor of requested satellite imagery results in a cost per image saving to the Agency. Similarly, if a Network vessel is, for whatever reason, "unavailable" to provide at-sea oil recovery services e.g. it has sailed out of a pre-defined geographical area, this results in a reduction of payments by the Agency to the contractor concerned.
- Integration of EMSA vessels in national/regional pollution response chain through participation in regular exercises. This increases operational effectiveness and in turn overall cost efficiency.

11. MONITORING AND EVALUATION

The following indicators to measure the effectiveness of the execution of the funds are envisaged:

- Activities will be evaluated against the Key Performance Indicators (KPIs) identified in EMSA's Annual Work Programme of the relevant year (see Annex IV for details).
- The Agency's Annual Report will include information on the utilisation of the funds for pollution activities, in particular on financial aspects i.e. commitment and payment appropriations.
- In order to define the requirements for operational assistance, such as additional anti-pollution vessels, to be provided by the Agency to the Member States, the Agency will publish on a regular basis a list of pollution response mechanisms (procedures/plans) and response capabilities (expertise/resources) in the various regions of the European Union.
- Mid-term Report: The Commission will publish, on the basis of information provided by the Agency, a report on the implementation of this Regulation in 2017 covering the period 2014 to 2016.
- More generally, the Agency is subject to audits by the European Court of Auditors and the Internal Audit Service of the Commission and to the discharge procedure by the Budgetary Authority.

12. CONCLUSION

The approach of a multi-annual financial framework with regard to the implementation of EMSA's operational tasks in the field of pollution response creates significant cost efficiency by utilising industry expertise, e.g. tasking satellites to monitor marine oil spills. It also allows the Agency to take advantage of any technological developments and their operational application in this field. The European tier of assistance made available through the Agency is complementary to the resources that coastal States have at their disposal. It can be considered as a "reserve for disasters" and is at an appropriate scale bearing in mind the responsibilities of Member States to protect their coastlines. These services have been operational for a number of years. The implementation procedures and administrative infrastructure already exist.

Alternative approaches, e.g. annual funding rather than a multi-annual framework or spending less, are not appropriate as these options would leave the EU more vulnerable to pollution and the associated socio-economic, environmental and political consequences. While the Agency is technically capable to implement more activities in support of European policy goals, Options B and C ("spending more") are not considered appropriate within the current budgetary context.

Integration of the Agency's services in the pollution response mechanisms of Member States is achieved through regular participation of the network vessels in operational exercises and the incorporation of satellite monitoring into national response chains. In parallel and as has been the case to date, EMSA itself undertakes regular operational and contractual reviews of the services in order to identify refinements to the system and/or feasible improvements

taking into account latest technological developments. Such activities are intended to maximise the positive socio-economic and environmental impacts of the services when responding to pollution.

In conclusion, the envisaged commitment appropriations for the period 2014-2020 are EUR 154.480 M for existing tasks and EUR 6.020 M for new core tasks, leading to a total of EUR 160.500 M.

13. ANNEX I

This ex-ante evaluation is based on the following documents:

- The Commission Mid-term Report to Parliament and Council on the Multi-annual Funding of EMSA's Pollution Response Activities (COM(2011)286);
- EMSA's Contribution to the Mid-term Report 2007-2009 regarding Regulation No. 2038/2006/EC on the Multi-annual Funding of the Agency's Marine Pollution Preparedness and Response Activities (2010).
- The EMSA Action Plan on Oil Pollution Preparedness and Response (2004);
- The EMSA Action Plan on HNS Pollution Preparedness and Response (2007);
- EMSA Annual Work Programmes (2007-2012);
- EMSA 5 Year Strategy (March 2010);
- EMSA Annual Activity Reports (2004-2011);
- Annual EMSA Reports on the Multi-annual Funding of EMSA's Pollution Response Activities (2007-2011);
- CleanSeaNet First Generation Report: 16 April 2007 - 31 January 2011 (2011);
- Network of Standby Oil Spill Response Vessels and Equipment: Handbook 2012.

All EMSA documents are available at www.emsa.europa.eu.

14. ANNEX II

Results of stakeholder consultation and lessons learned

The Agency has been subject to a number of evaluations, audits and feedback from stakeholders during the period 2007-2009 in relation to its pollution preparedness, detection and response activities. Those of particular relevance include:

- A dedicated Audit by the Internal Audit Service (IAS) of the Commission in 2009 regarding the Network of Standby Oil Spill Response vessels;
- The evaluation of the Agency of April 2008 as required by its Founding Regulation, undertaken by an external consultant (COWI A/S);
- A stakeholder consultation in March 2010 in preparation of the Multi-Annual Funding Mid-Term Report.

The 2008 evaluation of the Agency, combined with the 2010 stakeholder consultation, demonstrate the positive evolution in stakeholders' perspective of EMSA's capacity to implement complex projects that bring added value to the pollution activities of Member States.

The overall objective of the 2008 evaluation was to assess the relevance of the EMSA Regulation and the effectiveness and efficiency of the Agency in fulfilling its objectives and tasks. The findings of the final report are:

- Member States had different opinions regarding the relevancy of the pollution response task.
- Most indicated that the Agency had adopted the correct operational, contractual and financial approach to setting up pollution response services.
- The pollution response services were rated by the Member States as some of the activities in which the Agency had been most effective.

In the preparation of the Mid-term Report on the actions of the Agency in the field of pollution preparedness and response to ship-source pollution, EMSA consulted key stakeholders on the implementation of its tasks. The focus of this consultation was to obtain feedback on the way EMSA has implemented these tasks during the period 2007-2009, as well as to receive comments regarding the possible future evolution of EMSA's work in this field beyond 2013.

It should be noted that the feedback reflects different approaches and considerations. As such, the feedback covers a broad range of aspects, some of which are not necessarily within the mandate of the Agency or within the present policy approach adopted by the EMSA Administrative Board. Per activity, the following points were made:

The Network of Standby Oil Spill Response Vessels:

- The technical and operational capabilities of the EMSA contracted vessels are very good, especially in addressing Heavy Fuel Oil (HFO) and Very Heavy Fuel Oil (VHFO) pollution;
- A Member States' expert group for consultation on technical and operational issues of the Standby Oil Spill Response Vessels Network could be established by EMSA (similar to the CleanSeaNet User Group);
- The need has been identified for a new risk assessment at EU level, covering the existing pollution prevention, preparedness and response capacities of the Member States and also addressing new risk factors (e.g. large cargo ships with considerable quantities of fuel on board) in addition to tanker traffic;
- It was recognised that the lack of a minimum standard for national response mechanisms represents a challenge for EMSA with regard to its “topping up” task of Member State response capacity. Nonetheless, many Member States consider that there should not be any “European Standard/Approach” for national response capacities;
- Some Member States would like the Agency to provide emergency ship-to-ship transfer services (lightering from casualty or from recovery tanks of other response vessels in the area) possibly using the EMSA contracted Standby Oil Spill Response Vessels;
- Some Member States, particularly Baltic countries, further developed the range of potential services to include emergency towing and fire fighting. It should be noted that these types of activities are beyond the current mandate of the Agency and that such activities run counter the principle that the protection of national shorelines is a national responsibility.

CleanSeaNet Service:

- The pan-European monitoring and surveillance operational capability and role of EMSA is considered as very efficient and providing added value;
- Most Member States emphasised the complementary use of aerial surveillance and satellite monitoring regarding illegal discharges, which is strongly advocated by the Agency.

Hazardous and Noxious Substances (HNS) and the MAR-ICE Network:

- EMSA should strengthen its HNS-related activities. There is a growing concern about chemical spills and this type of service/information is very important;
- The MAR-ICE Network and EMSA's other work in the field of HNS/chemical pollution could be further developed and could also cover HNS operational response capability in the future;
- In the future the EMSA vessels could also have HNS response capability.

Cooperation, coordination and information:

- EMSA has established good relations with the Member States and the Regional Agreements;
- The role of the Consultative Technical Group for Marine Pollution Preparedness and Response (CTG-MPPR)¹⁷ in the field of accidental or deliberate pollution is regarded positively. A good example of work on issues of common interest is the Claims Management Guidelines document, which was developed for the benefit of all Member States. Work on this topic should continue;
- EMSA could work more closely with the pollution preparedness and response scientific and technical community and stakeholders and should have a role in MPPR-related R&D coordination, evaluation and/or funding;
- Bilateral meetings with industry associations are appreciated and could be further developed;
- EMSA could further develop its role in training activities.

¹⁷ The CTG MPPR is the only European level forum for pollution issues. It is composed of Member State experts with EMSA providing the secretariat and budget for related activities.

15. ANNEX III

Further details on EMSA's anti-pollution activities

The current response vessel contracts have a four-year duration, renewable once, and involve the initial modification (pre-fitting) of a ship for spill response. Maximising the benefits of this one-off investment is linked to utilising the pre-fitting over as many years as possible, hence multi-annual contracts are needed. This also applies to maintaining vessel crew skills (deploying the specialised response equipment and manoeuvring the ship appropriately) built-up through regular practice and participation in international exercises during the initial contract. In parallel, managing the coverage of the Network across Europe takes a degree of planning, the sustainability of which is possible due to the advantages of having a multi-annual funding framework.

Similarly, with regard to CleanSeaNet, aside from the fact that Member States need a sustainable operational service, economies of scale secured through this Europe wide service are made possible by having multi-annual contracts with service providers and satellite owners.

It should be noted that the EMSA services have been established through contractual relations with industries which have already invested in the relevant sectors i.e. shipping and remote sensing. This has been, in the case of CleanSeaNet, complemented by cooperation with the European Space Agency. This has allowed the cost efficient utilisation of EU funds. By way of an example, the Network of response vessels is based on adapting ships for pollution response, ensuring their availability when required, but avoiding costs related to building or buying dedicated vessels. Such costs would increase the required budget by an order of magnitude or even more.

Regarding the operational effectiveness of the EMSA Network of Standby Response Vessels, the following points were noted from the study on the benefits and limitations:

- EMSA vessels are placed under the operational command of the requesting Member State. The efficiency and the amount of oil recovered will largely depend on the decisions of the Member State personnel responsible for coordinating the response.
- In general, the type, size and location of the EMSA vessels are suitable to deal with major oil spills where at-sea oil recovery is possible. Lessons learnt from past spills have been considered when designing the Network. The estimated operational performance in the spill scenarios confirms the suitability of the design concept.
- The availability of discharging facilities for oil recovered at sea is out of EMSA's control and could be a bottleneck. It seems that the availability of discharging facilities is a common problem around Europe. EMSA has already partially addressed this issue by including a "Lightering Clause" in the vessel contracts. It indicates that the Contractor, if requested by the affected Member State, would try to find a suitable lightering vessel. Appropriate arrangements to have sufficient receiving tankers/barges with appropriate capacity to discharge the recovered oil should be in place before any incident. Consideration could be given to the establishment of an arrangement to guarantee the availability of discharging facilities in sufficient number and capacity. This would mitigate one of the potential

bottlenecks that may appear during a large-scale incident. A new study has been launched by the Agency addressing this issue.

- In general, the average individual capacity per vessel that could be mobilised is quite similar across the regions. The EMSA Network has an average individual vessel storage capacity considerably higher than typical response vessels in Europe. This allows EMSA vessels to spend more time recovering oil at sea.
- In addition to the social and environmental benefits, the EMSA Network would also be economically valuable for the Member States in the event of a major spill. The estimations made for the scenarios analysed show values of at least EUR 100 M benefit to the Member State affected by the spill, reaching more than EUR 500 M in one of the cases.
- The amount of EU funds that have been invested to date in setting up and maintaining the service and the expected potential benefits to affected Member States corresponds favourably with the “insurance coverage” analogy identified at the beginning of the study. The analogy is that the investment in the at-sea oil recovery service (“the premium”) provides appropriate operational support (“insurance coverage”) to coastal States in mitigating (reducing the amount of oil hitting the coastline) the socio-economic and environmental damage of major incidents. It can be considered a form of risk management.

Considering the environmental, social and economic benefits identified for most of the scenarios analysed, it has been concluded that the Network of standby oil spill recovery vessels is a powerful tool in the hands of the Member States providing them with enhanced capacity to combat large oil spills. In all the geographical areas analysed, EMSA would be able to mobilise, upon request, a higher capacity than available at national level. This European tier of response resources serves as a valuable reserve for disasters both from the environmental and economic point of view.

16. TABLE 1: COMMITMENT APPROPRIATIONS EXISTING TASKS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Total</u>
Network of Standby Response Vessels								
Baltic Sea (2 contracts)			New tender				Renewal	
	0	0	4,200,000	0	0	0	2,800,000	7,000,000
			Renewal			New tender		
	0	0	2,600,000	0	0	4,500,000	0	7,100,000
North Sea (2 contracts)		New tender				Renewal		
		4,000,000				2,800,000		6,800,000
					Renewal			
	0	0	0	0	2,800,000	0	0	2,800,000
Channel (2 contracts)				Renewal				
	0	0	0	2,400,000	0	0	0	2,400,000
		New tender				Renewal		
	0	4,000,000	0	0	0	2,800,000	0	6,800,000
Atlantic (4 contracts)					Renewal			
	0	0	0	0	2,700,000	0	0	2,700,000
				Renewal				
	0	0	0	2,700,000	0	0	0	2,700,000
	New tender					Renewal		
	3,100,000	0	0	0	0	2,800,000	0	5,900,000
			Renewal			New tender		
	0	0	0	2,700,000	0	0	4,500,000	7,200,000
Mediterranean Sea (7 contracts)				Renewal				
	0	0	0	2,700,000	0	0	0	2,700,000
			Renewal				New Tender	
	0	0	2,400,000	0	0	0	4,500,000	6,900,000
	New Tender				Renewal			
4,500,000	0	0	0	2,700,000	0	0	7,200,000	

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Total</u>
			Renewal				New Tender	
	0	0	2,600,000	0	0	0	4,500,000	7,100,000
				Renewal				
	0	0	0	2,700,000	0	0	0	2,700,000
					Renewal			
	0	0	0	0	2,700,000	0	0	2,700,000
		Renewal			New Tender			
	0	2,400,000	0	0	4,375,000	0	0	6,775,000
Black Sea (2 contracts)	New Tender					Renewal		
	3,100,000	0	0	0	0	2,800,000	0	5,900,000
			Renewal					
	0	0	2,700,000	0	0	0	0	2,700,000
Readiness & Contract Management	1,500,000	4,150,000	1,000,000	2,700,000	3,000,000	2,500,000	2,900,000	17,750,000
Improvements equipment								
Operational Fund for Exercises	1,000,000	1,000,000	1,000,000	1,100,000	1,100,000	1,200,000	1,200,000	7,600,000
CleanSeaNet								
Operational Services	3,000,000	3,200,000	3,200,000	3,400,000	3,400,000	3,600,000	3,600,000	23,400,000
Datacentre Maintenance, Enhancements, User Training and Support	New Tender				New Tender			
	605,000	650,000	700,000	1,150,000	650,000	750,000	800,000	5,305,000
Cooperation, Coordination & Information	450,000	600,000	600,000	650,000	650,000	700,000	700,000	4,350,000
Annual Subtotal	17,255,000	20,000,000	21,000,000	22,200,000	24,075,000	24,450,000	25,500,000	154,480,000

17. TABLE 2: COMMITMENT APPROPRIATIONS NEW CORE TASKS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Total</u>
Specialised Equipment for Platform Spills	2,420,000	600,000	600,000	600,000	600,000	600,000	600,000	6,020,000

18. TABLE 3: TOTAL COMMITMENT APPROPRIATIONS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Total</u>
Annual Subtotal	19,675,000	20,600,000	21,600,000	22,800,000	24,675,000	25,050,000	26,100,000	160,500,000

19. TABLE 4: PAYMENT APPROPRIATIONS EXISTING TASKS: 2014-2020

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Total</u>
Network of Standby Response Vessels								
Baltic Sea (2 contracts)			New tender				Renewal	
	630,000	630,000	2,270,000	650,000	650,000	650,000	675,000	6,155,000
			Renewal			New tender		
	600,000	600,000	625,000	650,000	650,000	2,210,000	815,000	6,150,000
North Sea (2 contracts)		New tender				Renewal		
	436,372	2,110,000	600,000	600,000	600,000	650,000	700,000	5,696,372
						Renewal		
	420,000	650,000	650,000	650,000	675,000	700,000	700,000	4,445,000
Channel (2 contracts)				Renewal				
	678,115	680,000	680,000	625,000	600,000	600,000	600,000	4,463,115
		New tender				Renewal		
	0	1,900,000	600,000	600,000	600,000	650,000	700,000	5,050,000
Atlantic (4 contracts)					Renewal			
	1,104,684	600,000	600,000	600,000	637,500	675,000	675,000	4,892,184
				Renewal				
	591,630	591,659	591,659	633,329	675,000	675,000	675,000	4,433,276
	New tender					Renewal		
	920,000	580,000	600,000	600,000	600,000	650,000	700,000	4,650,000
				Renewal			New tender	
598,603	598,603	598,603	636,801	675,000	675,000	675,000	4,457,609	
Mediterranean Sea (7 contracts)				Renewal				
	510,000	600,000	600,000	600,000	675,000	675,000	675,000	4,335,000
			Renewal				New Tender	
	520,000	520,000	560,000	600,000	600,000	600,000	2,210,000	5,610,000
	New Tender				Renewal			
	2,050,000	650,000	650,000	650,000	952,500	675,000	675,000	6,302,500

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Total</u>
			Renewal				New Tender	
	541,660	541,660	595,830	650,000	650,000	650,000	2,375,000	6,004,150
				Renewal				
	550,000	550,000	550,000	612,500	675,000	675,000	675,000	4,287,500
					Renewal			
	690,000	600,000	600,000	600,000	637,500	675,000	675,000	4,477,500
		Renewal			New Tender			
	710,000	660,000	600,000	600,000	2,140,000	772,500	675,000	6,157,500
Black Sea (2 contracts)	New Tender					Renewal		
	910,000	570,000	600,000	600,000	600,000	650,000	700,000	4,630,000
			Renewal					
	447,500	447,500	3,147,500	337,500	675,000	675,000	675,000	6,405,000
Readiness & Contract Management Improvements equipment	752,500	1,500,000	1,500,000	1,850,000	2,900,000	2,800,000	2,025,000	13,327,500
Operational Fund for Exercises	1,000,000	1,000,000	1,000,000	1,100,000	1,100,000	1,200,000	1,200,000	7,600,000
CleanSeaNet								
Operational Services	3,000,000	3,200,000	3,200,000	3,400,000	3,400,000	3,600,000	3,600,000	23,400,000
DC Maintenance, Enhancements, User Training And Support	605,000	650,000	700,000	1,150,000	650,000	750,000	800,000	5,305,000
Cooperation, Coordination & Information	450,000	600,000	600,000	650,000	650,000	700,000	700,000	4,350,000
Annual Subtotal	18,716,063	21,029,421	22,718,591	19,645,131	22,667,500	23,232,500	24,575,000	152,584,206

TOTAL 2014-2020 Existing Tasks	152,584,206
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20. TABLE 5: PAYMENT APPROPRIATIONS NEW CORE TASKS

Payment Appropriations: New Core Tasks								
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Total</u>
Specialised Equipment for Platform Spills	1,210,000	1,210,000	600,000	600,000	600,000	600,000	600,000	5,420,000

21. TABLE 6: TOTAL PAYMENT APPROPRIATIONS

Payment Appropriations: Existing and New Core Tasks	
TOTAL 2014-2020:	158,004,206

IMPORTANT NOTE:

The Payment and Commitment Appropriations for this period do not match because:

- (a) The Payment Appropriations shown include carry-overs of Commitments made before 2014.
- (b) The contracts have a four-year duration.

Therefore any commitment made after 2016 implies payments after 2020.

22. ANNEX IV

Key performance indicators (KPIs) for pollution response as extracted from EMSA Work Programmes and Annual Reports for the years 2010 and 2011:

			2010			2011		
			KPI	Achieved	Status	KPI	Achieved	Status
Network of standby oil spill recovery vessels	Standby vessel Network	No. of contracts	13	14	▲	14	16	▲
		Geographical coverage	All regional sea basins of Member States	All regional sea basins of Member States	●	All regional sea basins of Member States	All regional sea basins of Member States	●
	Pre-fitting of newly contracted vessels	No. of newly contracted vessels pre-fitted	2	3	▲	1	1	●
	Number of drills and exercises	No. of drills per year	50	59	▲	57	64	▲
		No. of operational exercises per year	10	14	▲	8	13	▲
		No. of notification exercises per year	15	19	▲	12	13	▲
	Response to requests for mobilisation	Mobilisation time in hours	24	24	●	24	24	●
CleanSeaNet and illegal discharges	Satellite images	No. of images ordered and analysed per year	2,000	2,366	▲	2000	2481	▲
	Response to assistance requests re. accidental spills	Percentage response rate to requests for assistance	100	100	●	100	100	●
	CSN-DC performance	Percentage per year availability of CSN	N/A			97.5	94.4	▼
HNS Operational support	Response to requests for assistance to MAR-ICE	Percentage of responses within 2 hours	>75	100	▲	>75	100	●
		Percentage of responses within 4 hrs.	<25	0	▲	<25	0	●
	Supporting tools/reports	No. of tools / reports produced	3	3	▲	2	2	●
Co-operation and co-ordination and dissemination of information on pollution preparedness and response	CTG MPPR co-ordination	No. of CTG MPPR meetings and workshops	N/A			3	3	●
	Inventories and decision support tools	No. of inventories / tools developed	N/A			1	1	●