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REPORT

From: General Secretariat of the Council
To: Permanent Representatives Committee

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Subject: ***Preparation of the Council meeting (Transport, Telecommunications and Energy) on 8th June 2017***
Draft Council conclusions on "Priorities for the EU's maritime transport policy until 2020: Competitiveness, Decarbonisation, Digitalisation to ensure global connectivity, an efficient internal market and a world-class maritime cluster"
– Approval

INTRODUCTION

1. On 29 March 2017, the Presidency organised an informal ministerial conference on the theme "Priorities for the EU's maritime transport policy until 2020: Competitiveness, Decarbonisation, Digitalisation to ensure global connectivity, an efficient internal market and a world-class maritime cluster". At the meeting, ministers endorsed the "Valletta Declaration"¹.

¹ See the Annex to the Annex.

2. On the basis of the Valletta Declaration, the Presidency prepared draft Council conclusions.
3. The draft conclusions were examined by the Shipping Working Party at its meeting on 10 April 2017. The Working Party endorsed the conclusions with some minor changes.

CONCLUSION

4. The Permanent Representatives Committee is invited to examine and approve the agreement reached at the Working Party and to suggest that Council, at the TTE (Transport) meeting of 8 June 2017, adopt the conclusions on maritime transport as set out in the annex.

Draft Council conclusions

on

"Priorities for the EU's maritime transport policy until 2020: Competitiveness, Decarbonisation, Digitalisation to ensure global connectivity, an efficient internal market and a world-class maritime cluster"

THE COUNCIL OF THE EUROPEAN UNION,

HAVING REGARD TO

- the Council Conclusions on the Mid-Term Review of the EU's Maritime Transport Policy until 2018 and Outlook to 2020 of 5 June 2014¹;
- the Commission report on the Implementation of the EU Maritime Transport Strategy 2009-2018²;

WELCOMING the successful Informal Maritime Ministerial Meeting organised by the Maltese Presidency in Valletta, Malta, on 29 March 2017 setting out political priorities for the EU's Maritime Transport Policy to support the shipping industry, which is crucial for the welfare of the EU;

RECALLING the vital importance of shipping and related services for the European Union economy and the quality of life of European citizens, providing jobs and being essential to European economic competitiveness and contributing to the European Union GDP and shipping as a catalyst for the EU maritime cluster;

REAFFIRMING that the European maritime sector faces significant challenges and that further action is needed to maintain and further develop attractive and smart, safe, social and sustainable quality shipping;

¹ Document 10041/14.

² Document 12829/16.

EMPHASISING that the political priorities set out in the Valletta Declaration should be fully taken into account in the forthcoming work programme of the Commission and its overarching priorities up to 2020;

THE COUNCIL THEREFORE

1. ENDORSES the content of the "Valletta Declaration" on the "Priorities for the EU's maritime transport policy until 2020: Competitiveness, Decarbonisation, Digitalisation to ensure global connectivity, an efficient internal market and a world-class maritime cluster" and RECOGNISES the Declaration as a substantial component of the EU's Maritime Transport Policy up to 2020;
2. CALLS UPON the Commission and the Member States to work together, in close cooperation with other EU institutional bodies and agencies and with industry and social partners, to undertake appropriate initiatives and set milestones, taking the "Valletta Declaration" as a basis to further develop and implement the EU's Maritime Transport Policy up to 2020.

**Ministerial Declaration on
Priorities for the EU's maritime transport policy until 2020: Competitiveness,
Decarbonisation, Digitalisation to ensure global connectivity, an efficient internal market and
a world-class maritime cluster
(Valletta Declaration)**

HAVING REGARD TO

- the Council Conclusions on the Mid-Term Review of the EU's Maritime Transport Policy until 2018 and Outlook to 2020 of 5 June 2014⁴;
- the Commission report on the Implementation of the EU Maritime Transport Strategy 2009-2018⁵;
- A. ACKNOWLEDGING the importance of stakeholders' involvement and dialogue as an essential element for the fulfilment and further development of a maritime transport strategy beyond 2018; TAKING INTO CONSIDERATION the discussions at the Ministerial/Stakeholders Maritime Conference held in Malta on 28 March 2017;
- B. RECALLING the continuing objectives of the EU and its Member States to ensure a high and uniform level of maritime safety and security;
- C. RECALLING the significant contribution to the European economy of maritime transport, and related activities including ports, adding values and jobs in all Union coastal areas, NOTING the serious economic challenges that the shipping sector is facing;
- D. UNDERLINING the need to create a European Maritime Transport Space without Barriers and a seaborne transport system and logistic chain fit for the 21st century, while REITERATING that maritime transport is crucial for connecting peripheral and insular geographical areas to the rest of Europe;

⁴ Document 10041/14.

⁵ Document 12829/16.

- E. RECOGNISING in particular the need to effectively address the challenges of accessibility for islands, remote and outermost regions and the costs related thereto;
- F. REAFFIRMING the objective of supporting the long-term competitiveness of European shipping and related maritime industries in world markets, in view of the growing international competition;
- G. UNDERLINING the importance of increasing efficiency of maritime transport and logistic chains through digitalisation and administrative simplification, and the significant opportunities created through data exchange;
- H. RECALLING the need to remove remaining obstacles hampering free flow of data within the Single Market as called for by the Heads of State or Government in the **European Council** Conclusions from 15 December 2016; and also RECALLING the Council Conclusions of 20 September 2016 on the eGovernment Action Plan 2016-2020: accelerating the digital transformation of government endorsing the underlying principles (such as digital by default, once-only principle, interoperability by default) of that Action Plan;
- I. BEARING in mind that the simplification of administrative formalities for shipping and maritime carriage of goods, as well as the need for comprehensive and interoperable digital information flows, is the principal concern of the shipping industry and maritime transport stakeholders and in particular with a view to creating a European Maritime Transport Space without Barriers;
- J. WELCOMING the adoption by the European Parliament and the Council of the Port Services Regulation establishing a framework for the provision of port services and common rules for the financial transparency of ports;
- K. ACKNOWLEDGING the challenge of global competition and the importance of national taxation regimes and schemes which serve the objectives of the community guidelines on State aid to maritime transport in maintaining a level playing field and the competitiveness of EU shipping;

- L. RECALLING the Council conclusions adopted on 28 February 2017 on the European Court of Auditors' Special Report No 23/2016 regarding port investments⁶;
- M. EMPHASISING the role of international organisations, such as IMO and ILO, as the major competent worldwide legislative bodies establishing global rules and standards;
- N. CONSIDERING that shipping – as the most cost effective way to transport most of international trade – is central to achieving the UN 2030 Sustainable Development Goals;
- O. RECOGNISING the need for making maritime transport professions more attractive to young Europeans, conveying a positive image, and adapting qualifications and training to technological innovation;
- P. ACKNOWLEDGING that bilateral and multilateral agreements on international maritime transport as well as Free Trade Agreements (FTAs) that have strong commitments on international maritime transport are increasingly important to ensure a global level playing field, market access for vessels of the Union shipowners⁷ and overall predictability, against the background of protectionist trends and restrictive measures, and ENCOURAGING the Commission to advocate the inclusion of international maritime transport in multilateral agreements, in particular under the auspices of the WTO;
- Q. CONSIDERING that maritime transport is widely recognised as an environmentally sustainable and energy efficient way of moving large quantities of cargo but even so, the volume of the international shipping activity is so large that it produces approximately 2.2% of global CO₂ emissions⁸;
- R. STRESSING the need for greener shipping also in relation to emissions of substances that have a negative impact on human health and the environment at local and regional level and notably close to coastal areas and port cities;

⁶ Document 6693/17.

⁷ As set out in Article 1 of Council Regulation (EEC) No 4055/86 of 22 December 1986 applying the principle of freedom to provide services to maritime transport between Member States and between Member States and third countries (OJ L 378, 31.12.1986, p.1).

⁸ Third IMO GHG Study 2014.

- S. REAFFIRMING that climate change and environmental protection require a global response, in particular when dealing with actions from the shipping sector;
- T. WELCOMING the progress made at IMO MEPC 70 with:
- the setting of 1st of January 2020 as entry-into-force date of the 0,5% global sulphur cap for marine fuel;
 - the adoption of a mandatory global data collection system for fuel consumption of ships; and
 - the adoption of a roadmap for an initial but comprehensive IMO strategy on reduction of GHG emissions from ships to be adopted in 2018 in time for the sector to communicate its progress at the first stock taking under the Paris Agreement;
- U. ACKNOWLEDGING the work carried out under the European Sustainable Shipping Forum as established by the Commission Decision⁹;

THE EUROPEAN MARITIME TRANSPORT MINISTERS THEREFORE

- I. Competitiveness – a level playing field in Europe and abroad
1. UNDERLINE that, in order to develop a world leading maritime transport industry in Europe, it is essential to provide stable, predictable and competitive framework conditions based on high international standards for safety, security, environment and social conditions;
 2. RECALL that well-connected and modern ports and efficient short sea shipping play a key role to preserve and attract new industries and logistic activities, to link up the different regions within the internal market of the Union and support the greening of transport;

⁹ Commission Decision of 24.9.2013 setting up the group of experts on maritime transport sustainability – The European Sustainable Shipping Forum (ESSF), C(2013) 5984 final.

3. CALL for enhanced connectivity, in terms of reliable, frequent and sustainable maritime links, in order to bridge existing gaps, prevent isolation and offer equal growth opportunities for islands and outermost regions and peripheral and insular regions;
4. INSIST on the need to boost the creation of a network of multimodal transport corridors connecting industrial, peripheral, insular and island areas and featuring modern trans-shipment facilities, efficient and sustainable port infrastructure, automation trends and advanced technologies embedded in the appropriate regulatory and administrative framework and CALL for continued work in this regard within the framework of the guidelines of the trans-European transport network (TEN-T) and the Connecting Europe Facility making optimal use of the relevant financial instruments and grants;
5. EMPHASISE the need to make the EU maritime transport sector attractive to future generations to avoid the European maritime cluster encountering a shortage of competent staff with the right mix of skills and competencies and REAFFIRM the need to strengthen the establishment of a social level playing field in shipping and ensure fair treatment of seafarers by effectively applying the ILO Maritime Labour Convention 2006 and relevant agreements between social partners¹⁰, SUPPORT initiatives and actions in order to attract and train a sufficient number of EU seafarers and, therefore, UNDERLINE the need to promote and enforce international standards ensuring good working and living conditions;
6. RECOGNISE in particular, the benefits of employing more women in the transport sector and STRESS the need to increase the participation of women in the maritime transport sector;
7. URGE the social partners to identify and develop common initiatives and attractive social conditions to promote European seafarer employment and enhance the attractiveness of the sector, e.g. by facilitating the use of modern communication means, including Internet access on board;

¹⁰ Council Directive 2009/13/EC of 16 February 2009 implementing the Agreement concluded by the European Community Shipowners' Associations (ECSA) and the European Transport Workers' Federation (ETF) on the Maritime Labour Convention, 2006, and amending Directive 1999/63/EC (OJ L 124, 20.5.2009, p. 30).

8. STRESS the importance of promoting multilateral, regional and bilateral dialogue, closer cooperation and exchange of best practices on maritime transport at international level with a view to fostering a level playing field;
9. CALL UPON the Commission to intensify efforts at all levels towards a global level playing field whilst creating the framework conditions to facilitate access to the markets of regions with an increasing economic potential;
10. ENCOURAGE Member States and the Commission to continue to advocate transparent, globally binding and technologically advanced standards that do not distort competition and thereby seek for international solutions;
11. REAFFIRM the added value of the Community Guidelines for State aid to maritime transport, and the need for a stable taxation framework in line with those guidelines, to maintain a global level playing field for EU shipping, further enhance the quality and attractiveness of flags of EU Member States, and create the conditions in which shipping can effectively contribute to the EU economy;
12. RECALL the Council Conclusions adopted on 28 February 2017 on the European Court of Auditors' Special Report No 23/2016 regarding investments in seaports, which highlight a number of issues relating to seaports, including State aid guidelines for seaports, the further development of a General Block Exemption Regulation (GBER) for certain port investments, the need for more funding for ports, the specific nature of port infrastructure and the full integration of ports in the TEN-T network;

II. Digitalisation

13. RECALL the need for full and swift implementation of the Blue Belt, including through a harmonised electronic cargo manifest (the e-Manifest), and INVITE the Commission to provide information on a regular basis to stakeholders on its implementation and effectiveness;

14. WELCOME and SUPPORT the work on the e-Manifest specifications developed by the Commission together with the Member States, the industry and EMSA;
15. UNDERLINE the shortcomings identified in the preliminary results delivered by the Commission regarding the REFIT evaluation of the Reporting Formalities Directive;
16. INVITE the Commission to propose an appropriate follow-up to the review of the Reporting Formalities Directive, including by introducing the e-Manifest through a harmonised European Maritime Single Window environment, in order to set up a European Maritime Transport Space without Barriers and to improve the efficiency and attractiveness of the maritime transport sector;
17. ACKNOWLEDGE the importance of stimulating data exchange and clarifying the conditions to make data accessible and available to all parties in view of optimising the logistic chains and promoting multimodal transport in Europe and internationally, and therefore WELCOME in particular smart port initiatives undertaken for this purpose and other initiatives such as the Digital Transport and Logistics Forum;
18. NOTE the potential of automation which complements digitalisation in offering reductions in fuel consumption, increasing efficiency and optimising cargo flows in logistics, as well as improving safety and the environmental performance of the EU maritime transport sector; therefore HIGHLIGHT the importance of enabling further development of digital solutions and advanced maritime technology as well as promoting utilisation of open data taking into account the need for an up-to-date legal framework which enables the development of digital solutions;
19. EMPHASISE the need to further promote the concept of digitalisation and electronic verification of certificates for ships and crew members at international level and ENCOURAGE making certificates available electronically;

III. Decarbonisation and Reduction of Air Emissions

20. INVITE the Member States, together with the Commission, to work towards the adoption in 2018 of an ambitious initial IMO strategy on reduction of GHG emissions, thereby taking into account the well below 2°C objective of the Paris Agreement, from ships including short-, mid- and long-term further measures aimed at defining the shipping sector's contribution to the international efforts to curb greenhouse gas emissions; to this end INVITE the Member States and the Commission to reach out to third countries and industry for the purpose of securing the adoption of an ambitious strategy in spring 2018, to support capacity building, including initiatives demonstrating the benefits of decarbonisation of the shipping sector, and to foster research and investments, so that no country is left behind when addressing climate change;
21. CALL UPON the Commission to propose, once the legal framework for the global system is established, an amendment to the EU MRV Regulation to achieve alignment with an international agreement;
22. URGE the Commission and the Member States to cooperate on effective enforcement of regional and global rules on air emissions from ships and EMPHASISE the importance of sharing relevant data on compliance in this regard;
23. SUPPORT the Commission's initiatives for the promotion of the use of alternative energies and fuels for shipping, notably harmonised standards for LNG bunkering connectors and procedures for LNG bunkering in European ports, with a view to improving the environmental performance of the sector and contributing to the compliance with the global emission requirements, in particular the sulphur emission limits adopted by IMO;

24. WELCOME the Green Shipping Guarantee programme in effectively addressing challenges related to financing investments that contribute to the improvement of the environmental performance of the European shipping sector and its competitiveness and SUPPORT the work of the Commission to foster the role of ports in greening the maritime transport and UNDERLINE the need of financial support for investments such as shore side electricity or other alternative fuels bunkering infrastructure;
 25. INVITE the Commission to pursue its initiatives to help the maritime transport industry making best use of the available financial and economic incentives at Union level, Member State and port level to improve the environmental sustainability of the sector, including also the use of research funds for technologies that will reach market validation in mid-century investment cycles;
 26. AFFIRM the strong support for safe and environmentally friendly shipping in Polar waters and other vulnerable marine areas and HIGHLIGHT the need for effective implementation of the IMO Polar Code.
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