

'Fit for 55' package: Fuel EU Maritime

Impact assessment (SWD(2021) 635, SWD(2021) 636 (summary)) accompanying a Commission proposal for a regulation of the European Parliament and of the Council on the use of renewable and low-carbon fuels in maritime transport and amending Directive 2009/16/EC, COM(2021)562

This briefing provides an initial analysis of the strengths and weaknesses of the European Commission's impact assessment (IA) accompanying the above-mentioned [proposal](#),¹ submitted on 14 July 2021 and referred to the European Parliament's Committee on Transport and Tourism (TRAN). The proposal is aimed 'at increasing the demand of renewable and low-carbon fuels (RLF) in the maritime transport sector' (IA, p. 6). This initiative was included in the adjusted [Commission work programme 2020](#) and is part of the '[fit for 55' package](#), which contributes to reaching the EU objectives – set in the [European Climate Law](#) – to reduce greenhouse gas (GHG) emissions by at least 55 % by 2030 (compared to 1990) and to achieve climate neutrality (net zero GHG emissions) by 2050.

Problem definition

The [Green Deal communication](#) stated that emissions in the transport sector should be reduced by 90 % by 2050 in order to achieve an EU climate neutral economy. The IA refers to the impact assessment underpinning the [2030 climate target plan](#) and the staff working document accompanying the [sustainable and smart mobility strategy 2020](#), and notes that according to the projections, the international maritime transport sector should cut down emissions by at least 84-86 % relative to 2015 (equivalent to 80-82 % reductions compared to 1990²), and the share of the renewable and low carbon fuels (RLF) of the energy used in the international maritime sector should be 6-9 % by 2030 and 86-88 % by 2050 in order to contribute to the EU's GHG emissions reduction targets (IA, pp. 13-15, 27).

According to the EU monitoring, reporting and verification (MRV) system (Regulation [\(EU\) 2015/757](#)), the CO₂ emissions of the maritime sector were about 11 % of the EU transport CO₂ emissions in 2018. The IA notes that the EU international shipping CO₂ emissions are expected to increase by more than 30 % between 2015 and 2050. The IA also draws attention to the emissions in the coastal areas and port cities produced by ships at berth (that is, ships that are anchored or navigating in EEA ports), which produce 'around 6 % of the total CO₂ emissions as reported by the MRV' (IA, pp. 16-17).

The IA finds that heavy reliance on fossil fuels and slow uptake of alternative fuels in the maritime sector pose particular problems to achieving the EU objectives. The IA refers to the Commission's 2019 annual [report](#) on CO₂ emissions from maritime transport, which notes that liquefied natural gas (LNG) accounted for only 3 % of the total maritime fuel consumption in 2018. The IA also mentions the [fourth GHG study](#) of the International Maritime Organization (IMO), according to which 98.4 % of the fleet in 2018 had conventional fuel oil engines. In addition, in the context of emissions from ships at berth, the IA points out that the use of on-shore power supply (OPS) has been 'negligible' (IA, pp. 16-19).

The IA explains that the current EU regulatory framework concerns the supply and infrastructure of fuels, but not obligations on the use of RLF in maritime transport. Therefore, the initiative focuses specifically on the demand side and the 'specific market barriers preventing the deployment of RLF in the maritime transport sector' (IA, pp. 10, 23, 31).

The IA identifies **two problems**: P1) 'the low uptake of RLF by ships calling EU ports', and P2) 'the low uptake of zero-pollution fuels by ships at berth in EU ports'. The IA defines **five problem drivers**: D1) 'lack of predictability of the regulatory framework and high risk of investment choices (high risk of stranded assets)'; D2) 'low maturity of new renewable and low-carbon fuels/technologies with high risk for first movers'; D3) 'higher costs of alternatives compared to fossil fuels (also due to insufficient economies of scale)'; D4) 'high interdependency with supply and distribution (chicken-and-egg situation)'; and D5) 'possibility of bunkering outside EU (risk of carbon leakage)'. According to the IA, D1-D4 are linked to P1 and P2 (although the link between P2 and D2 is not indicated in the problem tree), and D5 is linked to P1 (IA, pp. 16-29).

Overall, the IA provides an evidence-based description of the nature and scale of the problem and the problem drivers, and also discusses the likely evolution of the problems without a further EU intervention. The IA expects, for instance, that CO₂ emissions would grow by more than 30 % by 2050 (relative to 2015) and the use of biofuels would continue to remain limited (1.3 % of the fuel mix by 2050). However, it would have been useful for the reader if the description of Driver 3 had been more detailed, because the ratio of the price gap is only illustrated in the impacts section, and, furthermore, the IA refers to the 'competitive fuel price' in the context of LNG-powered ships (IA, p. 18), which could have been explained more, given that Driver 3 finds the higher costs of alternative fuels to be an obstacle for using them.

Subsidiarity / proportionality

The legal basis of the proposal is Article 100(2) of the Treaty on the Functioning of the European Union (TFEU). The IA discusses the need for action at EU level and the EU added value of the initiative. It stresses the cross-border dimension of the maritime sector and explains that EU action is required to reach economies of scale of RLF, to avoid carbon leakage and to enhance the level playing field between operators. The IA does not provide a dedicated subsidiarity grid, contrary to the [recommendation](#) of the Task Force on subsidiarity, proportionality and 'doing less more efficiently'. The policy options are compared for their proportionality, as required by the [Better Regulation Guidelines](#). The Irish Houses of Oireachtas submitted a [reasoned opinion](#) by the deadline of 8 November 2021 for the [subsidiarity check](#) by national parliaments.

Objectives of the initiative

The IA states that this initiative is aimed at 'increasing the uptake of RLF in EU maritime transport with a view to reducing emissions from the sector, both in navigation and at berth and thereby contribute to achieving EU and international climate objectives' (**general objective**) (IA, p. 30). The IA identifies five **specific objectives**, which correspond to the problem drivers: SO1) 'enhance predictability through the setting of a clear regulatory environment concerning the use of RLF in maritime transport'; SO2) 'stimulate technology development'; SO3) 'stimulate production on a larger scale of RLF with sufficient high technology readiness level (TRLs) and reduce the price gap with current fuels and technologies'; SO4) 'create demand from ship operators to bunker RLF or connect to the electric grid while at berth'; and SO5) 'avoid carbon leakage' (IA, pp. 31-32). In accordance with the Better Regulation Guidelines, the IA also sets operational objectives, linked to the specific objectives and the preferred option, and presents corresponding indicators.

The defined objectives should be specific, measurable, achievable, relevant and time-bound (SMART criteria); however, SO2 and SO5 could perhaps have been formulated in a more specific manner. In addition, the wording of the objectives is not time-bound, though the initiative is linked to the timeframe of the defined EU climate objectives.

Range of options considered

The IA presents three partially cumulative policy options against the baseline, and explains the methodology for selecting the measures and policy options. The measures have been grouped in each policy option in three intervention areas: i) improvement of the penetration rate of RLF; ii) stimulation of the introduction of zero-emissions energy solutions; and iii) certification, reporting and enforcement. (IA, pp. 35-36) The IA explains that the initiative would concern vessels beyond 5 000 gross tonnes, as they are responsible for 90 % of CO₂ emissions in the maritime sector (IA, p. 43).

The **Baseline** (no EU action) builds on the [EU reference baseline scenario 2020](#) (a common baseline for the ‘fit for 55’ proposals), but also takes into account the impacts of the coronavirus pandemic and the EU Member States’ national energy and climate plans. According to the baseline projections, [tank-to-wake](#) CO₂ emissions would grow by 14 % by 2030 and by more than 30 % by 2050 (relative to 2015). In addition, it is expected that the uptake of biofuels (1.3 % of the fuel mix by 2050) and the electricity use at berth (0.1 % of the fuel mix by 2050) would remain limited. On the other hand, the share of LNG in the fuel mix is expected to grow (19 % by 2050). The IA explains that the baseline scenario does not consider the other ‘fit for 55’ proposals in order to ensure ‘a consistent approach with the IAs accompanying the other ‘Fit for 55’ initiatives’ (IA, pp. 32-33, 117-123).

Option 1 (Prescriptive approach on the choice of technologies) would improve the penetration rate of RLF by establishing a volume-based minimum share of RLF (blending mandate) for ships in navigation calling at EU ports (measure M1) from 2025 onwards.³ In this option, the technology would be chosen by the regulator. In addition, Option 1 would provide a mandate from 2030 onwards, for using on-shore power supply (OPS) or corresponding alternatives (e.g. hydrogen, batteries) for the most polluting ships (three categories identified on the basis of MRV data 2018: containerships, passenger ships, ro-pax ships) in ports (M3). Option 1 would also provide guidance to facilitate the uptake of technology (M4). This option would reflect the advance in technological development and regularly update the list of selected fuels. As a measure to stimulate the introduction of zero-emissions energy solutions, this option would increase awareness-raising, exchange of experience, and encourage industry-led programmes in support of the uptake of alternative fuels (M6). In terms of certification, reporting and enforcement, Option 1 would establish an EU-wide methodology to certify the [well-to-wake](#) performance of fuels (M7), and introduce requirements for certification and acceptance of bunkering supplied in third countries (M8). This option would also provide a set of rules to follow for monitoring, reporting and verification – based on the EU MRV Regulation – of consumption of alternative fuels (M9), and port state control procedures for the use of RLF (M10) (IA, pp. 35-39, 42-45).

Option 2 (Goal-based approach on technologies) would – contrary to the volume-based blending mandate in Option 1 (M1) – set maximum targets on the GHG intensity of the energy used by vessels in navigation and at berth (M2) from 2025 onwards⁴ in order to improve the uptake of RLF. Maritime operators would be free to choose fuels and technologies. Otherwise, Option 2 proposes the same measures as Option 1 (IA, pp. 35-37, 39-40, 42-45).

Option 3 (Goal-based approach⁵ on technology and reward mechanisms for over-achievers) (preferred option) contains the same measures as Option 2, but additionally proposes incentives to stimulate the introduction of zero-emission energy solutions and to reward over-achievers (M5). This option would attribute greater weight to zero-emission solutions when considering ships’ performance in terms of achieving the defined annual target (‘multipliers for zero-emission options’). It would also provide a mechanism for voluntary transfers and compensation of balances between operators (from over-achievers to under-achievers) (e.g. pool compliance at company level), which would be included in the MRV system (IA, pp. 35-37, 40-45).

As required in the Better Regulation Guidelines, the IA presents a sufficiently broad range of options. The IA clearly indicates the links between the specific objectives and policy measures of the policy options, and explains the differences and similarities of the three options. However, some elements

could have been explained in more detail, for example, the measure concerning requirements for certification and acceptance of bunkering supplied in third countries (M8). Moreover, stakeholders' views on the policy options are not indicated in the description of options.

Assessment of impacts

The IA assesses – qualitatively and quantitatively – the main environmental, economic and social impacts of the policy options. As regards **environmental impacts**, the IA expects fossil fuel savings in all options, around 13 % by 2030 (all options), and 89-91 % by 2050 (88.6 % in PO1, 90.7 % in PO2, 90.2 % in PO3). In terms of GHG emissions reductions, well-to-wake GHG emissions reductions are expected to be around -11 % (all options) by 2030 and around -77-78 % by 2050 (-77.3 % in PO1, -76.8 % in PO2, -78.0 % in PO3). The IA points out, however, that methane (CH₄) emissions will increase by 2050 due to a greater use of decarbonised gaseous fuels, as 'no significant progress on methane slip control is assumed' (IA, p. 71). This increase is bigger in PO2 (14.9 %), whilst it is lower in PO1 (7.5 %) and PO3 (9.5 %), which use more electricity and hydrogen-based fuels. Regarding GHG emissions intensity of fuels, all options would achieve -6 % by 2030 and -73-74 % by 2050 (in the description of the options, the IA provides slightly different figures, see endnotes 5 and 6), and external costs would decrease by €135.9 billion to 138.6 billion in 2021-2050. Air pollutants, such as nitrogen oxides (NO_x) and sulphur oxides (SO_x), would decrease in all options by 23-27 % by 2050; this would reduce external costs by €9.4 billion to 10.3 billion by 2050. As regards the risk of carbon leakage, the IA analysed PO1 and PO3 (with the TRUST model) from the point of view of a possible re-routing (i.e. minimising the traffic falling in the scope of this initiative), and found that route diversions would increase costs at ports and travel time, which would outweigh the savings in the fuel costs. The IA therefore concluded that the risk would be 'low'. The IA illustrates this conclusion by modelling data, which is presented in Annex 4 (IA, pp. 70-73, 136-169).

In the **economic assessment**, the IA considers that as the policy options differ in terms of the type of RLF deployed (i.e. higher shares of hydrogen-based fuels and electricity in PO1 and PO3, and biofuels in PO2), these differences entail different costs. For example, PO1 and PO3 would entail higher costs than PO2, as it would be necessary to ensure compatibility of the propulsion systems, such as electric vessels, with the engines. The IA expects the total costs for ship operators, who are the most strongly impacted stakeholder category, to be €93.6 billion in PO1, €79.8 billion in PO2 and €87.3 billion in PO3 in 2021-2050. Regarding fuel prices, the IA estimates that there will be a decrease in the price difference between biofuels and liquid fossil fuel (from a ratio of 2.1 in 2030 to 1.5 in 2050), and between e-liquids and liquid fossil fuel (from a ratio of 3.6 in 2030 to 1.9 in 2050). The IA expects the administrative costs for ship owners (€439.0-439.7 million) and port authorities (€1.8 million) to be the same level in all options, but does not provide estimates for the administrative costs for bunker suppliers, as it 'has not been possible to estimate how many certification schemes would be established or what the exact impact of certifying upstream emissions would be' (IA, p. 61). The enforcement cost would be the same (€83.3 million) in all policy options except that under PO3 additional IT-costs (€0.2 million) are needed to monitor the balance of RLF uptake (over-or underachievement) (total costs of €83.5 million in PO3) (IA, pp. 52-63).

As for port infrastructure investment, the IA notes that the costs are port-specific, depending, for instance, on the size and the type of traffic. The IA estimates that in 2025-2050 the total investment costs in alternative fuel infrastructure would be €9.9 billion. Although the IA notes that this cost estimate would be 'the same' for all policy options, it also considers that 'PO1 will lead to the highest levels of ports investments given the higher penetration of non-drop-in RLF⁶ in the overall energy mix' (IA, pp. 63-64). A clarification of this point would have been useful. The IA considers that all options would positively affect innovation, in particular in terms of deployment of electric propulsion and fuel cells, especially PO1 but also PO3 (IA, pp. 63-67).

When assessing **social impacts**, the IA finds that the research and development sector would benefit most in terms of employment in all options (not quantified). The IA discusses impacts on freight prices and consumer prices, and notes, for example, that – given the diversity of the maritime

sector – the share of fuel costs in operating costs differs between market segments. On the basis of projections of a 'diesel blend' price increase (PRIMES-Maritime model), the IA expects limited impact on freight prices. According to the modelling, the diesel blend price would increase by 7 % by 2030 and by 42 % by 2050 in all policy options, which would increase freight rates, for example, for containers, by 0.8-2.5 % in 2030 and by 4.6-15.1 % in 2050. Taken into account the 'low share' (not quantified) of transport costs in consumer prices, the IA does not expect significant changes to commodity, raw material and product prices. According to the IA, all options would positively contribute to public health by decreasing air pollution (IA, pp. 67-70).

The IA considers impacts on **third countries** and finds, for example, that new market actors in RLF production and shipbuilding (energy efficient solutions) might emerge outside Europe, but does not present any estimates or possible evolving scenarios in this respect. In general, the IA estimates that all policy options would only have a 'limited' impact on EU trade with third countries (IA, pp. 66-67).

The policy options were compared against the defined objectives and the Better Regulation criteria of effectiveness, efficiency, coherence and proportionality. The IA finds that all options are similarly **effective** in relation to the specific objectives, except in stimulating technology development (SO2), regarding which PO1 and PO3 are more effective than PO2. As regards **efficiency**, taking into account the costs and benefits of each option, PO2 is found to be the best option in terms of net benefits. However, the IA considers that PO3 is 'at least as efficient as PO2' and 'the most robust policy option to unexpected developments' (IA, p. 77). The IA notes that all options are coherent with the EU objectives and measures relating to maritime emissions, but considers that PO1 is better than PO2 and PO3, as it 'may facilitate identification of the need to deploy new infrastructure for a given technology', however, the IA notes that 'in all options, the highest share of RLF is expected to be compatible with existing infrastructure' and 'coherence and consistency with AFID is guaranteed with all options' (IA, p. 78). The IA finds that PO2 and PO3 are better than PO1 from the point of view of **proportionality**, as they provide flexibility for technology choices and, in addition, as PO3 offers a voluntary compensation mechanism to overachievers (IA, pp. 74-83).

The scoring table (p.82) is somewhat confusing, as it does not entirely correspond to the conclusions of the comparison analysis. In particular, PO1 and PO3 score equally on effectiveness, whilst in the conclusion it is PO3 that is considered the best option. Likewise, PO2 and PO3 have the same scores on efficiency, but the analysis finds PO3 better than PO2. Moreover, the scoring table gives the highest score to PO3 as the most favoured policy option by stakeholders, although this is not clearly substantiated in the IA. This is not clear from the summary of stakeholder consultations either (see Section on 'Stakeholder consultation', IA), which finds that there is a general support for the goal-based approach, but the IA does not present views of stakeholder groups on fully-fledged policy options nor does it clearly demonstrate that PO3 has a wide, representative support of the stakeholders in the maritime sector.

The IA presents the estimated costs (partially quantified) and benefits (partially quantified) of the preferred option (Option 3) in a dedicated annex 3 (IA, pp. 104-108).

SMEs / Competitiveness

According to the Better Regulation Guidelines, potential impacts on **small and medium-sized enterprises** (SMEs) should be systematically considered and reported (see also [Tool 22](#)). However, the IA does not indicate to what extent this initiative concerns SMEs and does not discuss the SME dimension. This is quite surprising, because the IA refers to SMEs in the description of policy option PO3: 'the pooled compliance is organised among different ships rather than companies, which proved to be the only solution that does not penalise small and medium size[d] companies with a limited number of ships' (IA, p. 44).

According to the qualitative analysis (quantified estimates are not provided), PO1 and PO3 would to some extent ('small positive') improve the **competitiveness** of the EU maritime sector, namely in the

areas of shipping, shipbuilding, marine equipment industries and fuel suppliers, on account of increased uptake of the RLF and higher demand for the 'most advanced solutions', while on the other hand PO2 would not bring any change. On the contrary, the policy options would not have a positive competitive effect in terms of bunker facilities (PO2 and PO3 negative effects, PO1 no change), as a higher amount of non-drop-in fuels would require adapted infrastructure. The IA explains that this assessment is based on stakeholder consultations and interviews, but it does not indicate which stakeholders were consulted and what their views on competitiveness were (IA, p. 65-66).

Simplification and other regulatory implications

The IA considers that the Fuel EU Maritime proposal would be coherent with the EU climate objectives and explains its interaction with the other proposals within the 'fit for 55' package, in particular the revision of the [Renewable Energy Directive \(EU\)2018/2001](#) (REDII), the [European Emissions Trading Directive 2003/87/EC](#) (ETS), the [Alternative Fuels Infrastructure Directive 2014/94/EU](#) (regulation proposal, AFIR), and the [Energy Taxation Directive 2003/96/EC](#) (ETD). The initiative would also build on the existing EU MRV requirements. The Fuel EU Maritime initiative would fill a regulatory gap, as there is no EU framework currently to address the lack of uptake of marine RLF. According to the IA, it would complement, for example, REDII 'by securing the demand' for RLF fuels in the maritime sector (IA, pp. 8-11, 23-29, 45-51, 77-79). The legislative proposal would amend [Directive 2009/16/EC](#) (port State control), by adding a reference to the Fuel EU certificate of compliance to the list of Annex IV.

Monitoring and evaluation

The IA explains the monitoring and evaluation plans in a dedicated section and in a separate Annex 7, with the latter describing the operational objectives (linked to the specific objectives), the relevant indicators and data sources (e.g. EU MRV, Eurostat, targeted surveys, national policy frameworks under AFID). According to the IA, the Commission would carry out an evaluation that would assess, for example, the impacts of this initiative on maritime RLF production, and would also consider other policy initiatives aiming to decarbonise the maritime sector. While the IA does not set a timeframe for the evaluation, the legislative proposal stipulates that it would take place five years after the implementation date of the regulation (IA, pp. 83-84, 192-193).

Stakeholder consultation

As required by the Better Regulation Guidelines, the IA provides a separate annex describing various consultation activities the Commission carried out to collect information and stakeholders' views on possible policy measures, options, costs and benefits (IA, Annex 2, pp. 92-103). The views of SMEs have not been indicated in the consultation summary. The feedback to the [inception impact assessment](#) (IIA) (27 March 2020 to 24 April 2020) comprised 81 replies. The [open public consultation](#) (OPC) gathered 136 replies from various stakeholder groups (e.g. ship owners, ship management, energy producers and fuel suppliers, national, regional and local authorities, logistic suppliers, academia) between 2 July 2020 and 10 September 2020. Besides the consultation having lasted less than the 12-week requirement of the Better Regulation Guidelines, it was also held during the summer holiday period. The IA explains the shorter consultation period with the 'importance of the measure including in the recovery from the crisis' (IA, p. 94); however, this would have merited further clarification. Targeted consultations included meetings with the [European Ports Forum](#) (EPF) and the [European Sustainable Shipping Forum](#) (ESSF) and their sub-groups (from 2 March 2020 to 4 December 2020); a survey addressed to Commission expert groups (ESSF sub-groups, EPF, [ART Fuels Forum](#)) that gathered 32 responses (from 18 August 2020 to 18 September 2020); a series of interviews (18) between 10 July 2020 and 1 December 2020; and a stakeholders' roundtable with 150 participants (e.g. representatives of operators, ports, bunker suppliers, industry, Member States, third-country authorities) on 18 September 2020.

The IA openly provides hyperlinks to the consultation documents. On the other hand, the expressions it uses are at times vague (e.g. 'multiple stakeholders' and 'several respondents'), and it does not always clearly indicate the views of different stakeholder groups. In the comparison of

options, PO3 is indicated as the most favoured policy option by stakeholders (the highest score), which could have been explained further (IA, p. 80-82). In terms of the general policy approach, the IA finds that 'all stakeholder groups expressed a preference for goal-based over prescriptive policy' and 'most' stakeholders supported technology neutrality in policy measures. (IA, pp. 100, 103) However, the summary does not present stakeholders' views clearly nor give a breakdown of different stakeholder groups' views on the fully fledged policy options. The IA refers to the meeting of the Sustainable Alternative Power for Shipping sub-group of the ESSF, held on 8 December 2020 and attended by 80 participants, and reports that 'half' of the participants responded to a poll inquiring about the 'updated policy options'. As a result, it explains that the 'new PO3 came out as the preferred approach with 53 % in favour' (i.e. around 20 replies), a figure that raises a question about the representativeness of the poll result (IA, p. 94).

Supporting data and analytical methods used

The IAs accompanying several of the legislative proposals included in the 'fit for 55' package,⁷ including the IA of the proposal for the Fuel EU Maritime, rely on a common analytical framework. This framework is embedded in several modelling tools with a proven track record in supporting EU policy-making, which are used to produce a common baseline ([the EU Reference Scenario 2020](#)) and a set of core scenarios (REG, MIX, MIX-CP), complemented by specific variants developed for the individual 'fit for 55' initiatives. These modelling tools are publicly available in the European Commission's [modelling inventory and knowledge management system](#) (MIDAS), including the main models used in the Fuel EU Maritime IA: PRIMES, PRIMES-TREMOVE, TRUST. The modelling work is based on socio-economic and technology assumptions, which are explained in the IA, regarding the evolution of the European population, GDP growth, international energy prices, and the development of technologies in terms of performance and costs (IA, Annex 4, pp. 109-169) According to the IA, the European Maritime Safety Agency (EMSA) contributed to the preparation of the IA, and, furthermore, the Commission commissioned an external supporting [study](#) (Ecorys and CE Delft, 2021). The IA provides a reference but not a hyperlink to the study. The IA also draws on stakeholder consultations, Commission expert groups (the European Ports Forum and the European Sustainable Shipping Forum), independent research and stakeholders' studies in the policy field. The analysis of the IA is both qualitative and quantitative, and it is based on recent and sound data. The IA also openly discusses uncertainties in the assessment (e.g. evolution of costs of technology and feedstock as well as certification costs) (IA, pp. 59, 61, 90-91).

Follow-up to the opinion of the Commission Regulatory Scrutiny Board

The Regulatory Scrutiny Board (RSB) adopted a [negative opinion](#) on a draft version of the IA report on 20 January 2021 due to significant shortcomings. The second [opinion](#) of 3 March 2021 on a revised version of the IA report was positive, but it pointed out in particular that the report 'does not sufficiently stress the importance of getting maritime renewable fuel technologies ready in time to reach the post-2030 climate target' and it is 'not clear enough about the uncertainties underlying the impact assessment'. The RSB also flagged the need to explain the emissions reduction targets in the transport sector, and to better explain how the monitoring and evaluation arrangements will help ensure complementarity between the various policy initiatives. The RSB also suggested to better nuance the effects of the preferred option's scheme for overachievers on stimulating new technologies; and better justify the exclusion of certain categories of ships from the scope of the initiative and consider to what extent exempted ships would be affected by the supply measures of the REDII. Annex 1 to the IA provides explanations on the improvements that have been made (IA, Annex 1, pp. 85-90). It appears that the RSB's concerns have been addressed, but this is difficult to ascertain for all of points of concern, as the previous draft IA is not publicly available.

Coherence between the Commission's legislative proposal and the IA

The legislative proposal appears to follow the preferred option.

The IA supporting the proposal 'Fuel EU Maritime' presents a qualitative and quantitative analysis that uses various data sources and modelling tools, drawing especially on the analytical framework of the climate target plan, on an external supporting study and on public and targeted stakeholder consultations. The IA provides a well-evidenced problem definition and a sufficiently broad range of policy options that are clearly linked to the specific objectives. When assessing impacts, the IA openly recognises uncertainties concerning in particular the evolution of technology and feedstock costs. The quality of the IA is weakened by some inconsistencies in the comparison of policy options, which is somewhat confusing, as the conclusions of the comparison do not entirely correspond to the scoring of the options. Moreover, contrary to the Better Regulation Guidelines, impacts on SMEs have not been assessed, i.e. the IA does not explain whether and how SMEs would be affected by the proposal. As for the stakeholder consultations, the open public consultation was shorter than the required 12-weeks, which is not in line with the Better Regulation Guidelines. In addition, the views of the different stakeholder groups on the fully fledged policy options are not indicated in the IA, and overall, the summary of stakeholder consultations at times refers to stakeholders' views quite vaguely.

ENDNOTES

- ¹ See M. Pape, [Sustainable maritime fuels - 'Fit for 55' package: the Fuel EU Maritime proposal](#), Legislative briefing, EPRS, European Parliament, November 2021.
- ² This would also correspond to a reduction of 88-89 % by 2050 relative to the 2008 level. The use of the base year of 2008 'would allow consistency with the IMO objectives that are all expressed in relation to 2008' (IA, pp. 15, 18, 27).
- ³ Option 1 expects a scale-up of the share of RLF in the fuel mix: 2.9 % in 2025; 7.4 % in 2030; 15.6 % in 2035; 30.0 % in 2040; 68.8 % in 2045; and 85.9 % in 2050 (IA, p. 38).
- ⁴ Well-to-wake GHG intensity reductions expected in Option 2 from the use of RLF: -2 % in 2025, -7 % in 2030, -14 % in 2035, -26 % in 2040, -59 % 2045, and -74 % in 2050 (IA, p. 40).
- ⁵ Well-to-wake GHG intensity reductions expected in Option 3 from the use of RLF: -2 % in 2025, -7 % in 2030, -14 % in 2035, -26 % in 2040, -60 % 2045, and -75 % in 2050 (IA, p. 41).
- ⁶ Drop-in fuels are fuel options that are functionally equivalent to the fossil fuels currently in use and are fully compatible with the distribution infrastructure and the on-board machinery/engines (IA, p. 4).
- ⁷ The proposals for revision concern the following areas: the ETS, the Effort Sharing Regulation, land use, land-use change and forestry (LULUCF), CO₂ emissions standards for cars and vans, energy efficiency and renewable energy.

This briefing, prepared for the Committee on Transport and Tourism (TRAN), analyses whether the principal criteria laid down in the Commission's own Better Regulation Guidelines, as well as additional factors identified by the Parliament in its Impact Assessment Handbook, appear to be met by the IA. It does not attempt to deal with the substance of the proposal.

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