Port dues strategies and incentives for cruise line companies for using green port features

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About Maritime Institute in Gdansk

- Research & Development organization established in 1950 by Ministry of Maritime Transport and Economy (currently Ministry of Maritime Economy and Inland Navigation);

- Leading Polish Institute with ca. 200 employees and 6 Scientific Departments (Economics and Law, Ecology, Environmental Protection, Operational Oceanography, Hydrotechnics, Maritime Electronics), Scientific Library and independent Laboratories e.g. Spatial Planning;

- Large research experience in EU co-financed projects (BSR, South Baltic, BONUS, Horizon 2020 programmes etc.) – some selected projects include Green Cruise Port, Cleanship, Trans Baltic, Baltic Master, Submariner, SHEBA, Inter Baltic among others.
Maritime Institute in Gdansk is Action Leader of Green Cruise Port Work Package 4

Conducting of two Concept Studies:

- Common standards in the measurement of economic effects by cruise tourism - task 4.1.1 (a) accompanied by Workshop in Gdansk (completed)
- Port dues strategies and incentives for cruise line companies for using green port features - task 4.1.1 (b)
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Ongoing work on the Concept Study to be completed until the 5th Project Period. Based on outcomes of the Workshop in Riga (thank you!) and our own elaboration.

Methodology:

• Collection and assessment of information regarding successful incentives in cruise ports and attracting port calls of “green” cruise lines.
• Analysis of data received from ports (port dues / incentives pricelists), Environmental Ship Index/Clean Shipping Index organizations (Maritime Institute in Gdansk acted as one of supporting Partners of Clean Shipping Index), regions and cruise lines
• Analysis of economic and environmental impacts of incentives
• Collaboration with other GCP Partners and external experts.
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Draft structure:

- Overview of the current used incentives in the BSR with focus on cruise industry, environment and sustainability
- Best practices from the global solutions (USA, Asia, Middle East)
- Legislative background: IMO regulations (e.g. on Annex VI on NOx, SOx, wastewater ban - in 2019, cruisers will no longer be allowed to dump their sewage into the Baltic Sea, new Marine Environment Protection Committee (MEPC) CO2 goal) etc.
- Analysis of current incentives systems e.g., Environmental Shipping Index, Clean Shipping Index, RightShip, LNG discount (for now Green Award does not correspond to cruisers)
- Prospects of new port dues strategies and incentives to make cruise industry greener
- OPS issues
- Economic benefits – both for ports and cruise lines
- Required standards and best practices in the cruise industry development
- Recommendations.
Environmental Ship Index (ESI)

- a voluntary system designed to improve the environmental performance of sea going vessels, developed through World Ports Climate Initiative (WPCI) and the International Association of Ports and Harbors (IAPH)
- focused on minimizing of ship emissions (SOx, NOx and in longer terms CO2)
- The ESI formula is built up of different parts for NOx, SOx and CO2; additionally a bonus is awarded for the presence of an On-shore Power Supply installation (OPS). The ESI Score ranges from 0 for a ship that meets the environmental performance regulations in force to 100 for a ship that emits no SOX and no NOX
- Participating: several cruise operators and global ports in Europe e.g. Rotterdam, Amsterdam, Hamburg, Rostock, Göteborg, Bergen, Helsinki, Oslo.

Picture: ESI
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**Clean Shipping Index (CSI)**

- independent and holistic labelling system of vessels' environmental performance; a practical tool for differentiating port- and fairway fees or choosing more sustainable shipping alternatives.
- focused on minimizing of ship emissions (SOx, NOx, CO2), chemicals, waste & water, particulate matter
- Reduced port fees by: Brofjorden, PetroPort, Port of Gothenburg, Port of Vancouver, Port of Prince Rupert, Port of Gävle
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The Polish case:

- 2018 cruise calls: Gdansk: 74, Gdynia: 54, Szczecin: 3
- no special incentives for green ships – Polish ports (Gdansk, Gdynia) use standard port dues tarrifs (tonnage dues for passenger ships/ferries, waste reception, wharfage and passenger fees) and do not belong to ESI/CSI;
- Cruisers do not have special place in port tarrifs list (Gdynia – document from 2007, Gdansk – from 2009);
- Maritime Institute in Gdansk is going to discuss Polish ports’ plans and objectives with port management.
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Example from Port of Helsinki

The environmental discount can only be applied for under one of the following three categories. The discount can be up to 3% off the vessel charge and is granted based on a free-form application submitted to the Port, detailing the discount category that the application pertains to as well as the information requested for the category in question, as detailed below.

1. Low emissions
If the vessel has a valid ESI certificate with
• an ESI score of ≥ 80: 3% discount on the vessel charge (e.g. LNG vessels)
• an ESI score of ≥ 65: 2% discount on the vessel charge (vessels that use onshore power while docked at the port, for example)
• ESI points granted for the installation of onshore power supply systems (10 points) are included in the calculation only if the vessel regularly uses onshore power while docked at the Port of Helsinki.
Port dues strategies and incentives for cruise line companies for using green port features

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Example from Port of Helsinki (cont.)

2. **Output noise level**
If the vessel’s total noise emissions, meaning its maximum sound power level (LWA), while docked at the passenger harbour is below 105 dB, a 2% discount is granted on the vessel charge.

3) **Environmental innovations/investments**
A discount of 1–3% on the vessel charge may also be granted based on investments or innovations that improve a vessel’s environmental or energy efficiency, reduce emissions or improve noise abatement.

Additionally: lower waste charges for international cruise ships leaving wastewater in Helsinki.
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What’s next?

- Summary of WS in Riga Findings
- Draft of „Port dues and strategies...” Concept Study to be completed until Summer
- Discussions with other Partners and stakeholders
- Finalization of the study

THANK YOU!