



Baku – 10th May 2018

Port incentives for green shipping and logistics

Logistic operators' perspective

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Baku, May 10, 2018

Francesco Parisi Group of Companies

- Established in Trieste in 1807
- Family owned and managed SME operating in the business of:
 - Freight forwarding & logistics
 - Shipping Agency
 - Infrastructure management
- 800 employees in 15 Countries

CLECAT

is the Brussels based organization representing freight forwarders, transport and customs related services in Europe

FIATA

is the Zurich based International Federation of Freight Forwarding Associations

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WHAT SHOULD WE FOCUS AT?

- Greenhouse gas (GHG) emissions reduction is clearly the most debated topic now
- On 13th April 2018 IMO adopted an initial strategy to reduce GHG emissions at least 50% by 2050 compared to 2008 (CO2 emissions – 40% by 2030 and – 70% by 2050)
- On 18th April 2018 ITF published a paper on port based incentives to mitigate GHG emissions
- More close in time: implementation worldwide of the IMO set sulphur 2020 limit (0,50% as compared to present 3,50% worldwide, 0,10% in the ECAs)

WHAT IS THE POSITION OF THE FREIGHT FORWARDING AND LOGISTICS INDUSTRY?

- 1) Awareness that the transportation industry is estimated to be responsible for approx. 25% of worldwide GHG emissions
- 2) The industry shares the Sustainable Development Goals set by the UN in Sept 2015 and the Paris Climate Agreement of Dec 2015
- 3) The industry is convinced that the environment and the economic development are not mutually exclusive and that “we can do more with less”

WHAT IS THE INDUSTRY DOING FOR THE ENVIRONMENT AND WHAT ARE THE MAIN RECOMMENDATIONS COMING FROM THE OPERATORS

- 1) Both Clecat and FIATA have working groups dealing specifically with sustainable logistics and both have published position papers
- 2) We provide services end to end: we therefore encourage a holistic approach (covering all transport modalities)
- 3) We believe in combined and balanced instruments such as regulations, incentives and information campaigns. We urge for globally harmonized policy instruments.
- 4) We believe it is very important to be able to measure the impact of policy instruments. Calculation methods of emissions footprint must be comparable, accurate and reliable. The industry supports the GLEC Framework for Logistic Emissions Accounting
- 5) We encourage efficiencies in the supply chain: cut red tape, eliminate infrastructure bottlenecks, increase infrastructure capacity where congestion slows down flows, digitalize processes, improve productivity of infrastructure, consolidate cargoes
- 6) We encourage innovation and research to develop fuel efficiencies

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WHAT WOULD THE INDUSTRY SPECIFICALLY RECOMMEND TO THE PORT COMMUNITY?

The conclusions of the ITF recent paper are very much in line with the industry position
It would make sense to increase focus on GHG emissions

- Port-based incentives could be more effective in mitigating shipping's GHG emissions if they would be more clearly focused on GHG emissions. Instead, most of the port-based incentives have multiple environmental objectives, in many cases related to local pollutants, noise and dust. This tends to dilute the potential impact that incentives could have on mitigating climate change.
- The GHG emission focus of port-based incentives could be increased by aligning more closely to actual GHG emissions from ships. None of the green port fees takes actual GHG emissions as a base for the fee reduction. Improved data collection at the ship level makes it increasingly possible to assign accurate estimations of GHG emissions to individual ships. This opens the possibility of financial incentives at the port level based on actual emissions of the ship during its voyage.

SOME RECENT DIRECT PERSONAL EXPERIENCES

- Italian Port reform 1994: port operations are handled only by terminal operators who win in a public competition the concession of port facilities (existing or to be built) for a number of years based on 3 main criteria: a) the projected volume of cargo to be handled b) the size of the investment and c) the rent to be paid annually to the Port Authority
- The Port Authorities are agencies of the Central Government who are responsible for the Master Plan of the Port, the management and maintenance of common infrastructure surrounding the Terminals, the decision about concession of the facilities, labour, safety & security and the promotion of the Port

PIER 6 WITHIN THE PORT OF TRIESTE

- 1) 2010 > 2013 full restructuring of an outdated port facility built in the first half of last century for general cargo, based on a 25 years concession to obtain an interchange platform between sea and rail for unitized cargoes (mostly trailers + containers + swap bodies on ro-ro vessels in intra Med trades)
- 2) 80.000 sqm of land, including a 6000 sqm warehouse/CFS, 4 rail tracks @ 400 m, 15 Mil Euro investment

Pier 6 in 2011



Pier 6 today

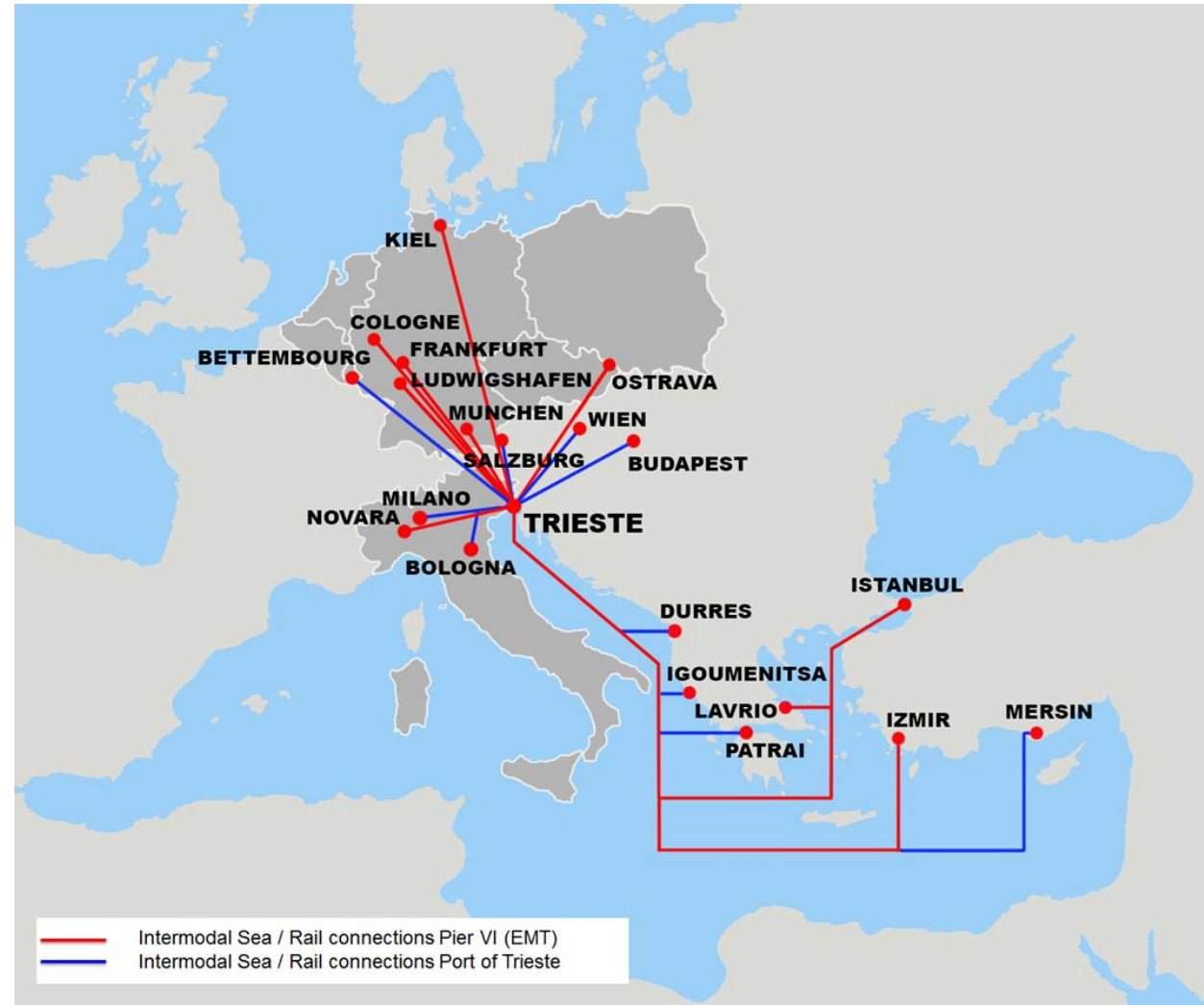


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WHAT WHERE THE MAJOR ENVIRONMENTAL REQUIREMENTS

- 1) Very strict rules in term of clean up of possible polluted soil + disposal of possible dangerous materials from the demolition of existing old buildings (especially frequent asbestos)
- 2) Very strict rules in terms of drainage of fluids including rain water. Collection of such fluids in underground tanks to be released in the sea water only after complete treatment and clean up
- 3) Very strict rules for the lay out and construction of the area for the storage of dangerous good (to prevent that possible leakage pollutes the soil or the sea water)
 - No incentives but heavy penalties in case of non compliance with above rules and, depending on the size of the non compliance, possible criminal charges
 - Specific focus on soil and sea water, no specific port prescription on air pollution
 - However strong encouragement by the Port Authority for the final goal of the restructuring: shifting significant volumes of cargo moving in and out of the port from road to rail

	N. Vessel	N. ITU	Pairs Train	N. ITU (FEU)	% Intermodal
2011	110	37.051	245	14.833	40%
2012	113	42.066	378	22.578	53%
2013	247	79.905	938	53.106	66%
2014	151	64.450	1.251	68.495	106%
2015	182	80.761	1.361	71.004	88%
2016	203	93.331	1.399	73.907	79%
2017	235	102.415	1.125	64.469	62%



THANK YOU FOR YOUR ATTENTION

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