MINUTES AND OPERATIONAL CONCLUSIONS

Venue:
Hellenic Ministry of Foreign Affairs, 1 Vas. Sofias str.
Sofianopoulou room

Chairs:
Mr. Theodoros Christopoulos (Hellenic Ministry of Environment and Energy) and Mr. Andreas Polakis (Hellenic Ministry of Infrastructures and Transport)

Participants:
Ambassador Fabio Pigliapoco, Secretary General of Adriatic-Ionian Initiative, Mrs. Vitore Muzhani from the All Secretariat and Ambassador Koutrakou (Hellenic All Chairmanship, Ministry of Foreign Affairs) attended the meeting. Representatives from 5 countries have participated (Albania, Serbia, Slovenia, Croatia and Greece). Also, there has been a wide participation from other ministries (Ministry of Foreign Affairs, Ministry of Maritime Transport and Island policy, Ministry of Economy) and stakeholders (DEPA SA, DESFA SA, Ocean Finance, Lloyd's Register, Hellenic Short Sea Ship-owners Association, Naval Architecture Pratikakis & Partners CO, Rogan Associates S.A., Chamber of Achaia, Development Company of Chamber of Achaia).

1. Welcome and Introduction.

In their welcoming addresses:

Ambassador Koutrakou (Hellenic All Chairmanship) stressed the fact that All Round Tables have to convey the appropriate messages to the European institutional groups and gave emphasis to Blue Growth which is the main theme of the EUSAIR Forum that will be held in Ioannina, Greece (11-12 May 2017).

Ambassador Pigliapoco underlined the significance of Round Table meetings within the framework of All because of the fact that they have facilitated the process and made it more effective and coherent. Furthermore, he underlined the importance of the implementation
of the principle of subsidiarity through the involvement of stakeholders, academia and civil society, which is the main goal of such Round Tables.

**Mr Christopoulos** stressed All’s aim to strengthen regional cooperation in order to promote political and economic stability, thus creating a solid base for the process of European integration and underlined Greece’s commitment to this process. He pointed out the fact that the Program of the Hellenic Chairmanship in the field of Energy Connections gives emphasis on the promotion of a well-connected and well-functioning internal energy market supporting the three EU energy policy objectives: competitiveness, security of supply and sustainability. This can be achieved inter alia through the development of an infrastructure network for the deployment of LNG and this is the reason the Hellenic Chairmanship has chosen LNG as the main topic of this Round Table.

**Mr Polakis** referred to our aspiration to shape a common approach to developing initiatives aimed to build resilient land and maritime transport infrastructure involving the deployment of LNG. These projects are critical for the future of global economy and focus on key areas such as innovation, renewable energy, energy efficiency, digital and transport infrastructure. He accentuated two major objectives: boosting investment and pursuing structural reforms. Meeting these two objectives will trigger both growth and job creation. In particular, support for the transition towards a low carbon and circular economy will create new jobs in the services sector.

### 2. LNG Bunkering and Small scale LNG Initiatives

**Ms Fotiadou** from DEPA S.A., as a coordinator of the Poseidon Med II Project, presented the project. It is a key European project aiming to take all the necessary steps towards adoption of LNG as marine fuel in the Eastern Mediterranean Sea, while making Greece an international marine bunkering and distribution hub for LNG in South Eastern Europe. She stressed the advantages of the use of LNG as marine fuel, mainly: a. Social & Environmental benefits to local communities and human health from emissions reductions b. large economies of scale through synergies c. potential revitalization of domestic shipyards d. Energy Security through diversification of supply and LNG flexibility. Furthermore, she recommended several financial tools to be assessed for such investments, incentives to be given to early adopters of LNG as a marine fuel and finally initiatives like the Adriatic-Ionian to reinforce feasible and mature small scale LNG projects in the Region.

**Ms Eleftheriadou** from DESFA S.A., which is the Technical Coordinator of Poseidon Med II, presented the correlation between the Action Plan of the EU Strategy for the Adriatic-Ionian Region (EUSAIR) and Poseidon Med II project, as well as the benefits that will occur for the region from Poseidon Med II successful implementation. She particularly emphasized DESFA’s investments in the natural gas transmission system and in small scale LNG facilities in Revithousa LNG terminal, which actively promote the 2nd pillar of EUSAIR, regarding “Connecting the Region”.

**Mr. Zacharioudakis** from Ocean Finance, which has played a major role in the business development of LNG use in energy and transport by providing supportive measures for solutions to the financial obstacles, presented all potential financing tools for this kind of
projects. He referred to the Connecting Europe Facility for Transport and Energy and its Call for the year 2016, the CEF Synergy Call (actions between transport and energy sectors), the European Fund for Strategic Investments (EFSI) as well as the Green Shipping Financing Tool (GSFT) that can allow financing of new investments and conversion of existing fleets.

3. Developing infrastructure network for the deployment of LNG as a marine fuel and in road transport

Mr. Syrigos (Hellenic Short Sea Ship-owners Association) stressed that LNG is a reliable solution for the shipping industry and the environment. He, also, mentioned its main advantages (Reduction of CO2, NOx, SOx, PM emissions, lower price than high sulfur marine fuel oil) and its disadvantages (no adequate installations for fuelling LNG at the time, higher vessels construction cost, lack of trained personnel onboard and ashore).

Ms Apostolopoulou (Lloyd’s Register, Piraeus BDT Marine and Offshore) referred to safety issues and analyzed port installation studies such as the concept of Hazard Identification Studies (HAZID), whose main objective is to evaluate potential bunkering operation scenarios, risk assessment and recommendations. Moreover, she drew the RT’s attention to the relevant regulatory framework.

Dr. Solomonidis (Rogan Associates S.A.) pointed out ways of upgrading Ports’ Infrastructure to fulfill their crucial role in the energy sector. His presentation analyzed the preparation cycle of a master plan for ports and presented related case studies (port of Patras, port of Iraklion, port of Igoumenitsa in Greece and port of Limassol in Cyprus).

Mr. Pratikakis (Naval Architecture Pratikakis& Partners CO) presented specific considerations and perspectives concerning LNG fueled ships, in terms of regulations, training and technical design.

Mr. Mišič, (ENOS LNG doo,Slovenia) presented a study concerning the use of LNG for the needs of mechanization used in ports. Its main objective was to see the possibilities for the use of LNG on tractors and reach stackers in the Port of Koper, Slovenia.

Mr. Economidis (DEPA S.A.) analyzed DEPA’s effort to develop CNG infrastructures, setting the base for using LNG for on road mobility applications. He presented as case study DEPA’s project “Fysikon”, according to which CNG and LNG will grow together in supplementary applications using the same engine technology.

Mr. Konstantinos Giotopoulos (Development Company of Chamber of Achaia) referred to New Freight Transport Opportunities for 2020. More specifically, he compared current transport routes from China that pass from Turkey – the Middle East – Greece to the Adriatic Sea with a new transport route service that will bridge Eastern Mediterranean (Southern Turkey and Middle East) through Lavrio with Adriatic – Ionian Areas, giving emphasis to this route ‘s advantages in terms of cost, time and environmental impact.
4. Recommendations for the EUSAIR TSG2 “Connecting the Region”

Mr. Christopoulos, as Chairman, concluded the meeting by suggesting several actions and proposals for further consideration, in view of the EUSAIR TSG2 “Connecting the Region” official meeting in Rome on 20th and 21st April:

- It is important to encourage and enhance bilateral or multilateral cooperation between countries of the region and jointly gather case studies with concrete examples of the LNG use in transports at national and regional level
- It is essential to develop joint effective modalities to share best practices and capacity building
- It is significant to enhance the involvement of all stakeholders and of the civil society in the process of the achievement of the three EU energy policy objectives: competitiveness, security of supply and sustainability.
- LNG is a reliable and sustainable solution for the shipping industry, road transport and the protection of the environment.
- LNG has a major contribution to the reduction of CO\textsubscript{2}, NO\textsubscript{x}, SO\textsubscript{x} and PM emissions, having in mind the EU’s effort towards the energy transition to a sustainable, environmental friendly and growth-oriented sector through its Clean Energy Package, its commitment to the Paris Climate Change Agreement as well as its Clean Power for Transport (CPT) package.
- LNG’s lower price in comparison to high sulfur fuel oil constitutes a major advantage.
- There is a strong need to attract investments and stimulate the private sector towards the implementation of the necessary actions. Thus, every opportunity given by the EU funds must be seized. The Shipping sector is expected to be a heavy LNG user so more favorable terms are required for increasing investments and it should be equally treated as roads and rails investments by the Connecting Europe Facility for Transport.
- The European economy is facing two big challenges over the last years: climate change and the economic crisis. Thus, it is necessary to combine growth and job creation with a low carbon economy and sustainable development. Trade has been the world’s main economic driver and economic growth is impossible without trade growth. In this respect, maritime and road transport play a crucial role. Transport must be included in effective policies concerning our response to climate change. Sustainable transport must be viewed and integrated as an essential ingredient in sustainable development strategies. Transport infrastructure and services need to be made safer, cleaner and more affordable. LNG and CNG can contribute to this objective.