CLECAT
European Association for Forwarding, Transport, Logistics and Customs Services

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POLICY RESPONSE

CountEmissions EU: Framework for calculation of GHG emissions from transport operations

CLECAT, the European Association for Forwarding, Transport, Logistics and Customs Services welcomes the Commission proposal aiming to establish a common European framework for calculating GHG emissions of transport operations in the freight and passenger transport sector, the so-called CountEmissions EU initiative.

The freight forwarding sector is of the view that much can be achieved to support the transport and logistics sector to reduce its emissions but only with the correct market-based and supportive instruments. Given that logistics service providers, freight forwarders often have no transport assets of their own, their objective is to pursue an emissions reduction strategy which engages with many different sub-contractors as they are responsible for the large part of direct emissions. This timely Commission initiative would enable transport operators to accurately calculate, monitor and compare their emissions giving transport users an estimate of the carbon footprint for their different transport and delivery options, facilitating behavioural change.

This paper provides some recommendations and suggestions for amendments to the proposal in order to maximise the potential benefits of a single EU framework for monitoring and reporting GHG emissions data from transport operations.

Key messages

- It is particularly appreciated that the Commission proposes to use the methodology established by the ISO 14083 standard, the development of which was actively supported by CLECAT.

- The reporting of logistics emissions accounting should remain for the coming years a voluntary initiative to allow the industry to get to grips with the framework and ISO standard. However, an alignment of the CountEmissions EU with other piece of legislation mandating GHG reporting from transport (CSRD, national rules etc) is necessary. Waiving verification duties for SMEs is also an important measure to avoid unnecessary burden.

- The use of default values from third-party providers is particularly welcomed, as plenty of databases/datasets are already available for immediate use. It should, however, remain the continued ambition for the use of as much primary data as possible to ensure more precise calculations. Moreover, the rules for technical quality checks for third party providers should also be concise and adopted rapidly to avoid lengthy administrative procedures.

- The proposal fails to set the foundations for a data collection and exchange framework, which should be in line with the development of eFTI platforms.

ISO 14083 standard as the methodology for CountEmissions EU

CLECAT very much welcomes that the Commission proposes **to use the methodology established by the ISO 14083 standard for the calculation of transport emissions**. Over the years, CLECAT has been involved in numerous initiatives that encourage business to make the calculation and reporting of GHG emissions from freight movement and logistics activities a priority, such as Logistics Emissions Accounting and Reduction Network project (LEARN) project, and most importantly the Global Logistics Emissions Council (GLEC) Framework which has been setting the stage for the recently adopted ISO 14083 standard. CLECAT also contributed financially to the crowdfunding exercise for the development of the ISO standard in 2019 and followed its development through its members involved in the ISO committee. It is therefore a great recognition from the Commission to the efforts made by the industry to develop and disseminate a global methodology for the calculation and reporting of transport emissions.

Maintain a voluntary approach and align other legislation with this Regulation

The facilitation of the uptake of GHG emissions accounting in business practices remains of key importance. Many of the larger companies and corporations in Europe already have systems in place to measure emissions. It should be equally easy for SMEs to make use of calculators to understand their carbon footprint without having to incur high IT costs. The uptake of the measuring of GHG emissions should therefore be relatively simple at the first stage of introduction and can be improved over time, subject to the development of methods chosen.

CLECAT welcomes the fact that the **reporting of GHG emissions data is voluntary under this proposal,** as it will allow the industry to get to grips with the calculation of transport emissions and ensure a gradual market-take up including SMEs. At the same time, **exempting SMEs from verification duties** would drastically reduce the burden on these companies, which is appreciated. Nevertheless, to support market-take up of GHG emissions reporting, industry incentives should be considered.

At the same time, we recognise that other pieces of legislation may require companies to report on their transport emissions, either at EU or national level, such as in the Corporate Sustainability Directive (CSRD) or in any future initiatives. We therefore call on the Commission and policymakers to ensure that **any future legislation mandating the reporting of transport emissions should refer to the rules and principles of the CountEmissions EU Regulation**.

Use of primary/default data

The reliability of the data, especially real data, is particularly important when it comes to issues relating to modal shift and transport decisions based on GHG emissions performance as this could be used in possible EU or national support schemes. CLECAT appreciates that the use of both secondary and default data is included in the proposal, especially default values from third party providers. Nonetheless, CLECAT also understands and strongly supports the fact primary data should be prioritised for calculating GHG emissions from transport services whenever available.

A lot of work has been already done by many organisations to draw up GHG default values. As an example, the GLEC set of default factors have been built on a broad range of existing sources, including factors developed at global, regional or country-levels, and allocation criteria, whilst acknowledging and emphasising that default factors are a back-up option in the absence of fuel data. As a result, the

EU database should take inspiration from the work of other organisations and should be drawn up quickly in order to ensure proper implementation of the framework, and in order to avoid duplication where possible. At the same time, rules for technical quality checks of third-party providers must be adopted rapidly in order not to delay the use of these valuable datasets.

Ultimately, to achieve accurate reporting of GHG emissions, the ambition should be to **move from default to real primary data**. The reliability of the data, especially real data, is particularly important when it comes to issues relating to modal shift and transport decisions based on GHG emissions performance as this could be used in possible EU or national support schemes. For this reason, the data used for GHG calculation should be as close as possible to real data, and encompass a well-to-wheel approach, so as to better reflect GHG emissions across the supply chain.

Data collection and exchange

The methodology to calculate and report emissions from transport as presented by the Commission should also be accompanied by a reflection on a framework for collection and exchange of data. Digitalisation and transparency are critical to understand the carbon footprint of logistics related activities. Ultimately companies need to have processes in place for data collection and data exchange that facilitate an automated exchange of GHG logistics emissions. This requires systems in support of digital data collection and transfer technologies that will support the overall process. Currently, the reporting format, data transfer protocols and assurance requirements remain confusing for many companies. Harmonisation of the information format and transmission methods is therefore crucial. It is also important that the different maturity levels of IT systems by stakeholders are taken into account. In this regard reflections on methods and tools to exchange emissions data from transport operators should set reasonable expectations towards the sector and seek to engage companies in the process.

We understand that the eFTI Regulation and the development of the eFTI environment is expected to support the implementation of this initiative. CLECAT is of the view that there could be a role for eFTI platforms but as companies have different IT systems' levels of maturity and different levels of readiness to capture and exchange the necessary data, these companies should be able to use a third-party service or platform. Therefore, for any initiative from the Commission related to data collection and exchange, it is important to consider a sufficient transition period to allow for the uptake of eFTI systems by companies.

Use of delegation by the Commission

The proposal gives consequent power to the Commission to adopt and implement at a later stage the technical rules and specifications for each stakeholder (third-party datasets, certifiers, verifiers, accreditation etc), via delegated and implementing acts. While we recognise that the Regulation should not be overly technical, it will be important to properly monitor and assist the Commission in drawing up those technical specifications. It is of great importance to not overburden companies with lengthy and complex administrative procedures for the creation of conformity assessment bodies, the certification of third-party providers of databases/datasets or verification processes.

Conclusions

CLECAT overall supports the CountEmissions EU initiative with the goal to establish a genuine EU framework for harmonised calculation of transport and logistics emissions. Such framework should enable the provision of reliable and comparable information on the GHG intensity of individual transport services and facilitate the uptake of GHG emissions accounting in business practice.

In addition, this initiative would also be essential for the effectiveness of other EU legislations: an accurate measurement and reporting of GHG emissions from freight movement and logistics operations should be one of the main elements of the upcoming revision of the Combined Transport Directive, in order to support companies in making better-informed freight transportation decisions and overall increase the sustainability of the supply chain.

Finally, we call on the Parliament and the Council to swiftly negotiate and adopt the Commission proposal before the end of the legislative work due to the upcoming European elections in spring 2024. Postponing the adoption of the proposal after the elections and the formation of a new European Commission may delay the implementation of the Directive for several months or even years, which would undermine the efforts of the European road freight industry to maximise its efficiency to easily reduce the number of journey and GHG emissions.

CLECAT remains at the disposal of interested parties for any further information.

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