Council of the European Union

Brussels, 16 October 2018
(OR. en)

12457/4/18
REV 4

LIMITE

MAR 134
OMI 52
ENV 613
CLIMA 165

PUBLIC

WORKING DOCUMENT

From:	General Secretariat of the Council
To:	Delegations
Subject:	73rd session of the IMO Marine Environment Protection Committee (MEPC 73) (London, 22-26 October 2018) – Non-paper from the Commission drafted to facilitate EU co-ordination

DOCUMENT PARTIALLY ACCESSIBLE TO THE PUBLIC (08.11.2018)

Delegations will find attached a non-paper from the Commission drafted to facilitate co-ordination between the EU Member States and the Commission in respect of the subject mentioned above**, revised in the light of the discussions at the coordination meetings in Brussels on 2 and 9 October and in London on 15 October 2018**.[1]

[1] **DELETED**

ANNEX

NON PAPER

DRAFTED TO FACILITATE CO-ORDINATION BETWEEN THE EU MEMBER STATES AND THE COMMISSION[2] FOR THE 73RD SESSION OF THE IMO MARINE ENVIRONMENT PROTECTION COMMITTEE (MEPC 73, LONDON, 22 – 26 OCTOBER 2018)

Non-restrictive list of items for which EU, common or coordinated positions could be agreed upon.

This document lists all received documents[3]. The Commission suggests focussing the discussion on the proposed positions and on the consideration of support to submissions by another EU or EEA State as fellow EU/EEA Member State. This does not exclude the discussion of any other item on the agenda, if explicitly requested by an EU/EEA Member State or the Commission.

The comments by the Commission are printed in *italics*. The proposed line of conduct to be followed by the Member States and the Commission is printed in ***bold italics*.**

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2 For reasons of brevity, the word "Commission" used in this document means the responsible service of the Commission.

3 Based on documents received up to 17 September 2018.

4 Reservation: all delegations (pending the outcome of discussions on IMO – EU Co-ordination procedural matters within the framework of the SWP in Brussels).

5 At BLG 17, the Commission and the Council Secretariat informed the EU Member States' delegations about emerging changes resulting from the adaptation to the requirements of the Lisbon Treaty to the EU IMO coordination process and the scope of EU competence over issues addressed in IMO. Many delegations expressed serious concerns about these changes, including their immediate effect on the current and upcoming EU-IMO coordination exercise(s), and requested the Commission to clarify and elaborate these changes in writing for further consideration. Consequently, the following delegations entered a reservation or a scrutiny reservation against EU competency claims in this document and the procedural changes until their further clarification:
Scrutiny reservation: ES, FI, FR, IT, PL.
Reservation: BE, CY, DE, DK, EL, MT, NL, SE, UK.

6 The Commission considers the matter of EU coordination sufficiently clear, based on existing Treaty provisions and extensive discussions and written exchanges within the Shipping Working Party which took place during the first half of 2013. It therefore does not see the need of the above footnotes and requests the matter to be resolved by the Council.

General

Relevant positions agreed in earlier EU IMO coordination papers remain valid – as far as still applicable – for this EU MEPC 73 coordination.

Agenda item 1 – Adoption of the agenda

Docs: MEPC 73/1, MEPC 73/1/1

MEPC 73/1(Secretariat): provides the provisional agenda of MEPC 73.

MEPC 73/1/1(Secretariat): provides information on the action the Committee will be invited to take in relation to the items on the agenda of MEPC 73.

In accordance with MEPC 73/1/1the following groups may be established at this session:

1. Working Group on Air Pollution and Energy Efficiency;
2. Working Group on Reduction of GHG Emissions from Ships;
3. Working Group on Marine Plastic Litter;
4. Drafting Group on Amendments to Mandatory Instruments; and
5. Ballast Water Review Group.

MEPC 71 (MEPC 71/17, paragraph 5.61) established the Correspondence Group on EEDI review beyond phase 2 and instructed it to submit an interim report to this session. The Correspondence Group on Fuel Oil Quality, also established at MEPC 71, is due to report to this session (MEPC 72/17, paragraph 15.18).

Agenda item 2 – Decisions of other bodies

Docs: MEPC 73/2, MEPC 73/2/1-4

MEPC 73/2 (Secretariat): provides information on the outcome of LEG 105 relevant to the work of the Committee.

MEPC 73/2/1 (Secretariat): provides the list of actions requested of the Committee on matters emanating from MSC 99

MEPC 73/2/2 (Secretariat): provides information on the outcome of FAL 42 relevant to the work of the Committee.

MEPC 73/2/3 (Secretariat): reports on the outcome of TC 68 on matters of interest to the Committee.

MEPC 73/2/4 (Secretariat): reports on the outcomes of C 120 on matters of interest to the Committee.

Agenda item 3 – Consideration and adoption of amendments to mandatory instruments

Docs: MEPC 73/3, MEPC 73/3/1-3

MEPC 73/3 (Secretariat): the Committee is invited to consider, with a view to adoption, proposed amendments to MARPOL Annex VI concerning the prohibition on the carriage of non-compliant fuel oil for combustion purposes for propulsion or operation on board a ship.

MEPC 73/3/1 (IMarEST): provides an editorial proposal in respect of the draft amendments to regulation 14, specifically paragraph 3 of regulation 4 of MARPOL Annex VI. The purpose of this proposal is to avoid the re-numbering of the "… other sea area …" clause each time a new emission control area is agreed. Furthermore, this would then align this paragraph with the corresponding approach now adopted in respect of regulation 13.

MEPC 73/3/2 (CLIA): comments on the proposed amendments to MARPOL Annex VI concerning the prohibition on the carriage of non-compliant fuel oil for combustion purposes for propulsion on board a ship.

MEPC 73/3/3 (Bangladesh): proposes deferring the draft amendments to regulation 14 of MARPOL Annex VI concerning the prohibition on the carriage of non-compliant fuel oil for combustion purposes for propulsion or operation on board a ship to a future date.

Amendments to regulation 14 of Annex VI to the MARPOL Convention concerning the prohibition on the carriage of non-compliant fuel oil on board a ship for combustion or operation purposes to be considered for adoption by MEPC

- *EU relevance*

The sulphur-related requirements of the revised MARPOL Annex VI have been reflected in Directive 2012/33/EU of 21 November 2012 amending Council Directive 1999/32/EC (codified Directive (EU) 2016/802) as regards the sulphur content of marine fuels.

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As the resulting amendments to regulation 14 of Annex VI to the International Convention for the Prevention of Pollution from Ships laid down in IMO Document MEPC 73/3 to be adopted under this agenda item will have an impact on Union law, the Commission adopted a proposal for a Council Decision on 13 September 2018 (COM(2018)624) establishing the EU position on these amendments, which was subsequently adopted by the Council on xx October 2018 (doc. xxx/18). It authorises Member States to give their consent to be bound by these amendments contained in the annex to MEPC 73/3. This Council Decision expressly allows minor changes to the stated position without requiring a formal amendment of the Decision concerned.

In their document MEPC 73/3/2, CLIA requests an amendment of the carriage ban regulatory text in regulation 14 by adding of a link to regulation 4.1 of MARPOL Annex VI. The Commission notes that the matter of cross-referencing between different MARPOL regulations has been extensively discussed during PPR 5 deliberations (PPR 5, WP.6, para 43) and considered at MEPC 72 (MEPC 72, para 5.41). On the basis of the outcome of those discussions, MEPC rejected such cross-referencing across regulations precisely to preserve the legal regulatory clarity of the measure, which mainly addresses fuel-based compliance and there are no new elements proposed for discussion which should change the opinion of MEPC.

In their document MEPC 73/3/3, commenting on MEPC 73/3, Bangladesh proposes deferring the entry into force of the draft amendments to regulation 14 of MARPOL Annex VI to a future date (the ban takes effect currently not earlier than 1 March 2020 in accordance with paragraph 3 of the annex to document MEPC 73/3). Bangladesh asserts the lack of readiness of the refinery sector to supply 0.50 compliant fuels on 1 January 2020 and the negative impact a consequential potential price increase may have on the economies of developing countries. These considerations have been the subject of extensive past deliberations and duly and widely addressed by the IMO in the context of the work on the consistent implementation of the 0.50% sulphur limits.

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Agenda item 4 – Harmful aquatic organisms in ballast water

Docs: MEPC 73/4, MEPC 73/4/1-8, MEPC 73/INF.3, 7, 8, 20 and 21.

MEPC 73/4 (Germany): contains the non-confidential information related to the application for Basic Approval of the BIOBALLAST 1000 ballast water management system submitted in accordance with the Procedure for approval of ballast water management systems that make use of Active Substances (G9) adopted by resolution MEPC.169(57)1.

MEPC 73/4/1 (Norway): contains the non-confidential information for Final Approval of the Envirocleanse inTank™ BWTS (Electrochlorination Variation) in accordance with the Procedure for approval of ballast water management systems that make use of Active Substances (G9) adopted by resolution MEPC.169(57)1.

MEPC 73/4/2 (GESAMP): contains the report of the thirty-sixth meeting of the GESAMP-Ballast Water Working Group (GESAMP-BWWG) and includes the evaluations of proposals submitted for approval by Germany and Norway.

MEPC 73/4/3 (Colombia): a proposed methodology for designating ballast water exchange areas in waters under Colombian jurisdiction in accordance with resolution MEPC.151(55) Guidelines on designation of areas for ballast water exchange (G14) and article 10(6) of resolution 477 of 2012, issued by the Colombian Maritime Authority, adopting and establishing measures and the control procedure for checking the management of ballast water and sediments on board national and foreign ships and naval vessels in waters under Colombian jurisdiction.

MEPC 73/4/4 (Iran): presents a study conducted over cases of non-compliance observed in ballast water reporting forms in regard to controlling ballast water exchange or treatment operations in ships (under the D-1 or D-2 standards), and proposes that the time, date and geographical position of the ballast water pump operation be recorded both on ships equipped with treatment systems and those that follow ballast water exchange standards, using an electronic ballast water data registration system).

MEPC 73/4/5 (Japan): provides comments and proposals on verifying the compliance of individual BWMS with regulation D-2 of the BWM Convention in conjunction with their commissioning during the initial survey.

MEPC 73/4/6 (China): seeks clarifications on article 3.2(f) of the BWM Convention regarding "permanent ballast water in sealed tanks on ships, that is not subject to discharge", for the purpose of global implementation of the BWM Convention in a consistent manner

MEPC 73/4/7 (China): proposes amendments to the form of the International Ballast Water Management Certificate (IBWMC) regarding the items in "Details of ballast water management method(s) used", as set out in appendix I of the BWM Convention.

MEPC 73/4/8 (IMarEST): proposes elements related to contingency measures that might be included in ballast water management plans.

MEPC 73/4/INF.3 (Antigua and Barbuda, Belize, Colombia, Costa Rica, Cuba, Dominican Republic, El Salvador, Guyana, Honduras, Jamaica, Mexico, Nicaragua, Panama, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago): provides information on Guidelines that form part of a regional strategy on ships' ballast water management and invasive species, developed within the Wider Caribbean Region Strategic Action Plan and finalized during the Third Regional Task Force Meeting on the Ratification and Implementation of the BWM Convention in the WCR that was held in Panama City, Panama, from 5 to 9 June 2017.

MEPC 73/INF.7 (France): provides information to the Organization on the type approval of the BIO-SEA® B ballast water management system (BWMS), manufactured by BIO-UV Group, in compliance with regulation D-3.1 of the International Convention for the Control and Management of Ships' Ballast Water and Sediments, 2004. The approvals of all the models were carried out in accordance with the *Guidelines for approval of ballast water management systems* (G8).

MEPC 73/INF.8 (INTERTANKO): informs that in light of the need for ships to manage cases of inoperable ballast water management systems and subsequently implement contingency measures, INTERTANKO has released guidance to its members on practical contingency measures and the establishment of a standardised reporting procedure between the ship, company, port State and flag State.

MEPC 73/INF.20 (Denmark): presents information on the validation of the use of standard test organisms in two test facilities involved in IMO type approval. The robustness of the STO was found adequate and therefore STO should be considered equal to natural populations when used as surrogate to meet the density requirement set forth in the Code for Approval of Ballast Water Management Systems.

MEPC 73/INF.21 (Denmark): reports on activities related to improved and consistent implementation of the Ballast Water Management Convention with respect to exemptions and specifically the application of Same Risk Area under the Guidelines for risk assessment under regulation A-4 of the BWM Convention (G7).

The Ballast Water Management Convention

On 8 September 2017, the Ballast Water Management Convention entered into force. To date (per 21 September 2018) 77 countries have ratified the Convention, with Belgium, Bulgaria, Croatia, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Lithuania, Malta, Netherlands, Portugal, Spain and Sweden from within the EU (and Norway).

- *EU relevance*

Regulation (EU) No 1143/2014 of the European Parliament and of the Council of 22 October 2014 on the prevention and management of the introduction and spread of invasive alien species (IAS) reminds in recital 21 that "a large proportion of invasive alien species are introduced unintentionally into the Union. It is therefore crucial to manage the pathways of unintentional introduction more effectively. Action ... should build on the experience gained in the Union and in Member States in managing certain pathways, including measures established through the International Convention for the Control and Management of Ships Ballast Water and Sediments. Accordingly the Commission should take all appropriate steps to encourage Member States to ratify that Convention."

The corresponding Article 13 on action plans on the pathways of IAS requires MS to analyse the pathways of unintentional introduction of IAS of Union concern in their territory and in their marine waters, and identify priority pathways for which an action plan is required. Although ballast water is not specified here, it is a pathway of unintentional introduction of IAS in the marine waters, and it is thus addressed through this provision.

Agenda item 5 – Air pollution and energy efficiency

Docs: MEPC 73/5, MEPC 73/5/1-17, MEPC 73/INF.4, 6, 11 and 13.

MEPC 73/5 (Secretariat): provides the outcome of the Intersessional Meeting on Consistent implementation of regulation 14.1.3 of MARPOL Annex VI concerning the development of guidance on ship implementation planning for 2020.

MEPC 73/5/1 (Germany, Norway and Spain): proposes a revision of the 2014 Guidelines on the method of calculation of the attained EEDI for new ships (resolution MEPC.245(66), as amended by resolutions MEPC.263(68) and MEPC.281(70)) by allowing for a shaft power limitation in order to resolve potential conflicts between EEDI requirements and minimum required propulsion power.

MEPC 73/5/2 (Japan): provides the interim report of the Correspondence Group on EEDI review beyond phase 2 established at MEPC 71.

MEPC 73/5/3 (United States): contains the report on the work of the Correspondence Group on Fuel oil quality including a summary of discussions and a draft set of best practices for Member State/coastal State.

MEPC 73/5/4 (ICS, INTERTANKO, IPIECA and IBIA): proposes amendments to the draft guidance on best practice for fuel oil suppliers, contained in document MEPC 72/INF.13. The co-sponsors, with a number of primarily editorial improvements, have attempted to enhance the document in consultation with stakeholders of the fuel oil supply industry. The proposed changes can be found in the annex to this submission.

MEPC 73/5/5 (Japan, Norway, ICS, BIMCO, CLIA, IPTA and WSC): a comparison of EEDI values reported to the IMO EEDI database with known new builds reported in the IHS Fairplay database reveals dramatic under-reporting to IMO of attained EEDI values for newly built ships. The paucity of verified EEDI values being reported under the EEDI database undermines the ability of Member States, industry and other stakeholders to analyse EEDI trends using precise and verified data. To address this problem, the co-sponsors propose amendments to MARPOL Annex VI that would require mandatory reporting of verified EEDI values for new ships subject to the EEDI phase 0, phase 1 and future EEDI phases required under regulation 21 of chapter 4 of MARPOL Annex VI.

MEPC 73/5/6 (ICS, BIMCO, CLIA, IPTA and WSC): briefly outlines the primary purpose in developing IMO's Energy Efficiency Design Index (EEDI) standards and the reference lines that serve as the foundation of the IMO EEDI regulations. The co-sponsors outline problems that arise with raising, lowering or tilting historical reference lines. This document stresses that maintaining reference lines is necessary to enable Member States, industry and other parties to monitor and measure progress of the fleet over time. This document further highlights that the value and integrity of IMO's EEDI standards would be seriously compromised if the Committee acts to fundamentally alter EEDI reference lines.

MEPC 73/5/7 (ITTC): proposes amendments to the 2014 Guidelines on survey and certification of the Energy Efficiency Design Index (EEDI), taking into account the 2017 update of the ITTC Recommended Procedure.

MEPC 73/5/8 (Japan): provides comments on the interim report of the Correspondence Group on EEDI review beyond phase 2 established at MEPC 71.

MEPC 73/5/9 (RINA): Innovative technologies are touted as one means to meet future EEDI phases, however the EEDI framework is not well adapted to the use of innovative technologies and may be hindering the uptake of these technologies. Furthermore, the IMO EEDI database that is also used to estimate uptake of technologies cannot be used to estimate the uptake of 78% of the technologies listed in document MEPC 72/INF.12.

MEPC 73/5/10 (Liberia, ICS, BIMCO, INTERFERRY, INTERTANKO, CLIA and IPTA): propose that the Committee agrees to early implementation of EEDI phase 3 in 2022 for specific ship types. 3ecognizing the challenges faced by certain ship types and/or for which there is insufficient data to facilitate an informed decision, the co-sponsors consider that the implementation date for EEDI phase 3 should remain 2025 for some ship types. This is consistent with the Initial IMO Strategy on Reduction of GHG Emissions from Ships, which aims to strengthen the EEDI requirements for ships with the percentage improvement for each phase to be determined for each ship type as appropriate, and to reduce CO_2 emissions per transport work as an average across international shipping by at least 40% by 2030.

MEPC 73/5/11 (ICOMIA): provides additional information relating to a recent study conducted by Ricardo UK Ltd, appointed by ICOMIA to carry out independent research related to engine exhaust emissions, which is outlined in document MEPC 73/INF.6.

MEPC 73/5/12 (India, IPTA and IBIA): proposes adding text to appendix 2 of the draft Guidance on the development of a ship implementation plan for the consistent implementation of the 0.50% sulphur limit under MARPOL Annex VI prepared by the Intersessional Meeting on Consistent implementation of regulation 14.1.3 of MARPOL Annex VI regarding fuel system heating arrangements.

MEPC 73/5/13 (ICS, BIMCO, INTERTANKO, INTERCARGO, IPTA, RINA, ITF, WSC and NI): the co-sponsors are concerned that the proposals provided in paragraph 13 of document MEPC 73/5/1 would be an unacceptable dilution of safety standards. Ensuring that ships are provided with sufficient power to manoeuvre safely is entirely a matter of safety. The 2013 Interim guidelines for determining minimum propulsion power to maintain the manoeuvrability of ships in adverse conditions addresses a regulatory gap and must be retained pending completion of work to develop final guidelines for minimum power.

MEPC 73/5/14 (Bahamas, Liberia, Marshall Islands, Panama, BIMCO, INTERTANKO and INTERCARGO): this document provides information to assist the Committee to appropriately address the respective challenges that the industry faces with the transition to 0.50% m/m sulphur fuel.

MEPC 73/5/15 (Liberia): provides information to assist the Committee to appropriately address the respective challenges that the industry faces with the transition to the 0.50% m/m sulphur fuel and recommends early reporting on the availability of compliant fuel oil well in advance of 1 January 2020.

MEPC 73/5/16: (United States): provides comments on document MEPC 73/5/1, submitted by Germany, Norway and Spain, which proposes to change the definition of ship power used for EEDI calculations in the 2014 Guidelines on the method of calculation of the attained Energy Efficiency Design Index (EEDI) for new ships to allow for a shaft power limitation below the installed maximum continuous rating for EEDI calculation purposes. The United States disagrees with this change as it undermines the intended goals of EEDI, unfairly penalizes ships built using designs that were certified since the standards came into effect, hinders the uptake of innovative technologies and places a large burden on Administrations, port State control officers and ship operators.

MEPC 73/5/17 (ISO, OCIMF, IPIECA, IMarEST, RINA and IBIA): provides an update and projected timeline on a joint industry initiative to develop an industry guidance document, and possibly training materials, for all relevant stakeholders on the potential safety and operational issues related to the supply and use of 0.50% maximum sulphur fuels.

MEPC 73/INF.4 (United States): contains a collation of comments received during the work of the Correspondence Group on Fuel Oil Quality.

MEPC 73/INF.6 (ICOMIA): provides the results of a sampling campaign of washwater from exhaust gas cleaning systems on a series of ships and the subsequent analysis performed jointly by EGCSA (the Exhaust Gas Cleaning Systems Association) and Euroshore (the association representing port waste reception facility providers).

MEPC 73/INF.11 (Secretariat): provides the sixth summary of data and information in the EEDI database.

MEPC 73/INF.13 (Netherlands): describes the state of play of the work done on the issue of minimum power requirements for ships in adverse weather conditions and informs the Committee on further work to be carried out in the Netherlands.

1. *EEDI*

- *Background*

Regulation 21.6 of MARPOL Annex VI requires that, at the beginning of phase 1 (1 January 2015) and at the midpoint of phase 2 (1 July 2022) of the required EEDI reductions, the IMO shall review the status of technological developments to implement the EEDI and, if proven necessary, amend the time periods, the EEDI reference line parameters for relevant ship types and the reduction rates set out in regulation 21. For this purpose, MEPC 67 established a Correspondence Group (CG) to undertake the review of the status of technological developments. Following discussions on the CG recommendations, MEPC 70 decided for (1) no revision of the current reference points for Phase 2 (2020), despite a lack of challenge for most vessel types; (2) earlier review of Phase 3 requirements in view of advancing to 2022 (as opposed to 2025); and (3) the possibility of a Phase 4. MEPC 71 agreed to establish a Correspondence Group on EEDI review beyond phase 2 in order to review the status of technological developments relevant to implementing the EEDI regulations beyond phase 2. The Committee instructed the Correspondence Group to submit a progress report to MEPC 72, an interim report to MEPC 73 and a final report to MEPC 74 in 2019.

- *EU relevance*

Without recalling all decisions within the EU it is evident that there is a clear commitment by the EU to reduce GHG emissions, including emissions by shipping. Furthermore, the EU MRV includes the reporting and publication of attained EEDI values on a per-ship basis.

- *Developments*

In MEPC 73/INF.11, the IMO Secretariat presents the sixth summary of data and information in the EEDI database which confirms, once again, the observation that on average the new-build fleet more than complies with the current requirements.

The EEDI Correspondence Group (CG) submitted its interim report to the Committee on 18 July 2018 (MEPC 73/5/2). In essence, this report recommends to:

- *Retain 2025 as the starting year of EEDI phase 3 for all ship types except for container ships, for which it suggests to advance the starting year to 2022.*

- *Retain a reduction factor of 30% for all ship types in phase 3.*

- *Further consider the possible review of reference lines.*

Overall, the CG interim report reports a rather low level of ambition considering the average over-compliance of the new built fleet as shown in the recently updated IMO EEDI database (see MEPC 73/INF.11). Figures from this database show for instance that a large majority of container ships (around 80%) and general cargo ships (around 60%) already comply with EEDI phase 3 requirements, while ships such as gas carriers and tankers are already halfway between phase 2 and phase 3. The performance of the best 10% ships also shows that achieving phase 3 requirements by 2022 is a realistic objective for most ship categories.

On this basis, all ship types should advance phase 3 to 2022, regardless of their size segment, except for ro-ro cargo, ro-ro passenger ships and ship types where data is not sufficient to judge on their energy efficiency uptake e.g. refrigerated cargo carriers, combination carriers, LNG carriers and cruise passenger ships having non-conventional propulsion.

As regards the EEDI reference lines, their review could be further considered, once the decision on the advancement of Phase 3 is taken. In particular, updated EEDI reference lines could be investigated as part of the development of a possible new EEDI phase 4 to reflect technical developments and address existing inconsistencies (see comments from the EC to the EEDI CG -7th round of discussion, MEPC 70/INF.29).

MEPC 73/5/5 (*Japan, Norway, ICS, BIMCO, CLIA, IPTA and WSC) puts the case for mandatory reporting of verified EEDI values for new ships subject to the EEDI phase 0, phase 1 and future EEDI phases required under regulation 21 of chapter 4 of MARPOL Annex VI. The Commission would advocate support for this submission in principle as long as the need for a MARPOL Annex VI amendment does not pose any delay in the forthcoming implementation phases.*

MEPC 73/5/7 (the International Towing Tank Conference (ITTC)) asks that the 2017 update of the ITTC Recommended Procedure be taken into account in the EEDI guidelines. **DELETED**

MEPC 73/5/9 (RINA) points out that the current EEDI framework does not facilitate the use (and reporting) of innovative technologies. **DELETED**

DELETED

MEPC 73/5/8 (Japan) defends the current implementation date for EEDI phase 3 as 2025 for most ship types (except container ships) and only takes the 'best of' the reference line revision methodology to avoid a negative impact on new large bulk carriers and tankers. **DELETED**

MEPC 73/5/10 (Liberia et al.) defends the implementation date for EEDI phase 3 as 2025 for most ship types (except container ships and general cargo). **DELETED**

Minimum propulsion power to maintain manoeuvrability of ships in adverse conditions

Minimum propulsion power to maintain manoeuvrability of ships in adverse conditions is addressed in various submissions (e.g. MEPC 73/5/1, MEPC 73/5/13, MEPC 73/5/16, MEPC 73/INF.13; ISWG-GHG 4/3/1). It should be recalled that it was decided at MEPC 69 that this issue would be considered separately from the EEDI process. However, as noted in the CG EEDI interim report, a more stringent minimum power requirement would possibly affect the EEDI objectives. In that context, the idea of using shaft power limitation to address potential conflicts between EEDI requirements and minimum required propulsion power (MEPC 73/5/1) would deserve further consideration, in particular, on its possible enforceability.

2. *The consistent implementation of the 0.50% sulphur limit in marine fuels, considerations emanating from the Intersessional Meeting on consistent implementation of regulation 14.1.3 of MARPOL, Annex VI*

- *EU relevance*

The sulphur-in-fuel-related requirements and implementing provisions of the revised MARPOL Annex VI have been reflected in Directive (EU) 2016/802 as regards the sulphur content of certain liquid fuels (codifying Directive 1999/32/EC and all subsequent amendments including Directive 2012/33/EU of 21 November 2012). The Energy Community countries (Montenegro, Albania, Bosnia Herzegovina, Moldova, Serbia, Ukraine) have adopted the sulphur-related EU environment acquis in the Energy Community Treaty in 2016 with an entry into force date of 1 June 2018.

The recent Commission report on implementation and compliance with the sulphur standards for marine fuels set out in Directive (EU) 2016/802 (COM/2018/188 final) illustrates a wealth of initiatives carried out at EU level to ensure the correct and cost efficient implementation of the latest 2012 revision of the Directive. According to the report, ECA areas for SO_x in EU waters (established in 2007-8 in the Baltic Sea, North Sea and English Channel) were successful in significantly reducing the sulphur dioxide concentration across the relevant riparian states as of 2015 when the ECA Sulphur requirement was reduced down to 0.1% from previous 1%. The report also shows that an EU credible and intensified enforcement of the legal requirements was key to address potential fears of distortion of competition and that the EU experience in SO_x-ECAs showed its value in preserving the economic level playing field. Importantly, the report also shows no records of accidents due to the operational transition from the use of heavy fuel oils to distillate fuel products. This is an encouraging precedent in view of the introduction of the global 0.50% sulphur limit, indicating that experience exists in the industry and timely preparation can ensure a smooth transition to the new limit while avoiding negative economic repercussions for the sector and minimizing any impacts at operational level.

- *Developments*

Following the decision at MEPC 70 to maintain 1/1/2020 as the effective date of the implementation of the 0.50% m/m sulphur global cap of fuel oil and the subsequent work at PPR 4 on a draft justification and scope for a new output on additional measures to promote its consistent implementation, MEPC 71 approved holding an Intersessional Meeting on consistent implementation of regulation 14.1.3 of MARPOL Annex VI which took place during 9-3 July 2018. The EU contributed to this meeting with three submissions on the standard format for Fuel Oil Non-Availability Reports (FONARs) (ISWG-AP 1/2/6), amendments to appendix VI to MARPOL Annex VI (ISWG-AP 1/3/2) and amendments to the 2009 Guidelines for port State control under the revised MARPOL Annex VI (ISWG-AP 1/4/1). Progress regarding these proposals should continue at PPR 6. However, MEPC 72 authorized the Intersessional Meeting to report its outcome concerning the development of guidance on ship implementation planning for 2020 to MEPC 73.

Norway in PPR 5/13/3 already proposed to develop an implementation plan for ship operators describing the preparations needed by ships prior to 1 January 2020. The Intersessional Meeting further considered the proposed text for ship implementation planning provided in documents ISWG-AP 1/2/7 (India) and ISWG-AP 1/2/8 (Norway et al.) and developed a draft MEPC circular on guidance on ship implementation for consideration at MEPC 73.

The Committee in MEPC 73/5 is invited to consider whether or not references to "practical and pragmatic approach by port State control authorities" should be included in the draft MEPC circular. Whereas the presence or not of a ship implementation plan on board a ship could help PSCOs during the document verifications after 2020, it should be taken as a recommendation only. **DELETED**

As part of the action points in document MEPC 73/5, the Committee is asked to note the discussion related to the safety implications associated with the use of low-sulphur fuel oil and to invite MSC 100 to consider the outcome of the Intersessional Meeting concerning the safety implications associated with the use of low-sulphur fuel oil, and take action as appropriate.

The Commission recalls that document MEPC 71/9/5 (BE, ES, DE, DK, NL and SE) pointed out the successful adaption by the industry to 10 years of ECA SO_x limit changes and advocated learning from these past positive experiences in the use of new fuel blends. MEPC 71/9/5 already contained useful considerations for the development of guidance in relation to the use of new fuel blends. The Commission also recalls that despite the SO_x-ECA requirement applying in a rather limited geographical sea area in EU waters, there is a vast majority of ships that have had the 'ECA experience' and learned how to switch over to low sulphur operation and managing fuels with significantly different characteristics (i.e. heavy fuel oils and distillates). This will not be the case in 2020 where the switch is basically operated between basically two heavy fuel oils.

The IMO Fuel Availability Study indicated that the majority of compliance will be ensured in 2020 by the use of hydrocarbon blends with 0.50% content. These will be (are) 'close-to-conventional' hydrocarbon-based fuel products very similar to heavy fuel oils used since decades on board ships. The production of fuels resulting from blending of oil streams with high and low sulphur components is a common and well known operation occurring in refineries. These fuels can therefore not be considered 'totally new or unknown' and lessons should be learned also from already existing examples of compliance with existing Hong Kong and Chinese 0.50% ECAs (as well as those found in the Baltic and South America). Furthermore, the 1% ECA fuels used before 2015 in Europe were also oil-based blends with sulphur content very similar, in terms of quality parameters, to the 0.50% fuels.

In this context, the Commission would point out that industry, led by OCIMF (MEPC 73/5/17), has taken the initiative to develop joint industry guidance on potential safety and operational issues related to the supply and use of 0.50% max sulphur fuels. This is part of a multi-stakeholder exercise to address the impact of new fuel blends or fuel types on fuel and machinery systems, and provide guidance, based on existing experience both in the maritime and oil sectors, on the handling, storage and use of such fuels. **DELETED**

Many statements in document MEPC 73/5/14 support this viewpoint:

- *'According to a recent Goldman Sachs study the effects of the transition to the 0.50% m/m global fuel oil sulphur limit are expected to normalize by 2022/2023.'*
- *'It is anticipated that the exclusion or avoidance of unsafe fuels, especially fuel blends which may meet the required sulphur content limit but are otherwise off-specification in terms of flashpoint or other parameters, will exacerbate the low sulphur bunker availability deficit projected by the International Energy Agency study'*
- *'The development of new blended products may increase the spread of fuel parameters to an extent which ISO 8217:2017 does not cover'*
- *'Particularly serious safety risks to ships and crews were created by the supply of contaminated fuels in the United States Gulf Coast region, Caribbean ports, Singapore, Malaysia and others. The standard fuel oil testing methods found in the ISO 8217 specification did not detect the contaminants, with many ships experiencing engine damage'.*

In relation to the discussion on fuel operational safety, the Commission recalls that marine fuel quality (beyond sulphur) is broadly addressed at IMO level and there is currently no EU legislation regulating marine fuel quality. This is also because shipping companies have always opposed the adoption of mandatory fuel quality requirements as this would have led to price increases as well as to possible lack of availability. While mandatory quality requirements would ensure standardised marine fuels in the global market, this would also limit the benefits flowing from quality/price flexibility for a sector like maritime that is fuel intensive and that has extensive experience in adapting to bunkering different types and qualities of oil based products purchased around the world at competitive prices. In this context, pointing at safety issues using the fact that an ISO standard does not exist yet is a concern that cannot be supported. Furthermore, according to the intervention by the ISO representatives at the ISWG in July2018, the scope of the standard in question broadly covers the 0.50 fuels characteristics, as this standard encompasses all petroleum hydrocarbon based fuels oils. The greater clarification needed on ISO 8217 marine fuel specification is planned in ISO PAS, as mandated by IMO, which will also provide guidance also on incompatibility (although this is not a quality parameter but rather an on-board fuel management issue).

According to fuel experts, most off-spec fuels have competitive prices and are safely used on-board ships thanks to the extensive experience existing in the maritime industry with the procedure for managing fuel on-board. Furthermore, there are currently no mandatory fuel quality requirements as this would hamper the flexibility to ships to access fuel at competitive prices. The case of the low-flashpoint is different: as this is a legal requirement under SOLAS, it is of utmost importance, which should be respected. The 2016 IMO fuel availability studies and the ISO scrutiny that followed have excluded that the 0.50% appearing in the market will have a low flash-point. Finally, there have been proposals in 2014 by Finland and US exploring the potential use of diesel fuel of road transport lower flash-point fuel to be used safely on-board but their access to the maritime market would require a revision of SOLAS and relevant ISO standards.

In relation to the recent severe incidents caused by the supply of contaminated fuels in the United States Gulf Coast region, Caribbean ports, Singapore, Malaysia and other places, it is clear that unfortunately such occurrences have already happened in the past and most recently and can happen with any fuel irrespectively of its sulphur content. On the contrary such events can be avoided in case of a sustainable and quality-oriented fuel supply cycle, but also when professional on-board fuel management is applied and its procedures. As indicated in a recent US marine safety note, there is a clear link between the occurrence of safety accidents on board in relation and the incorrect fuel management of low sulphur fuels, for example, when there is a lack of appropriate planning of preventive maintenance and not with the quality of fuels being changed over.

DELETED

Document MEPC 73/5/15 submitted by Liberia, requests the Committee to issue a resolution urging States to report in GISIS the availability of compliant fuel oil well in advance of 1 January 2020 'to enable shipowners and operators to gain experience on the carriage and use of the new fuels on their ships and with proposed ship implementation plans'. While experience with the use of 0.50% fuels exist in Hong Kong and will soon be gained in the Chinese 0.50% ECA already from 2019, the Commission understands that the 0.50% fuel blends will likely appear in the market just before 2020 and will mostly be used by ships – with the exception of some ship trials planned ahead by some operators – not before January 2020, due to consequent likely high fuel costs. Furthermore, the exact formulation of new fuels will remain under confidentiality terms by the fuel suppliers ahead of 2020. Therefore, while the Commission is generally in favour of sharing relevant information through common information platforms (i.e. enforcement outcomes, FONARs, etc.), in this case it is not clear what the proposal's phrase 'well in advance' would mean in terms of meaningful timing to achieve the stated objective. In addition, under regulation 18, parties to MARPOL have the obligation to ensure the availability of compliant fuels and the spreading of such reporting may even create uneven competition between different bunkering areas.

Similar proposals, and potential lack of availability issues, have been the object of extensive past deliberations duly and widely addressed by the IMO in the context of the work on the consistent implementation of the 0.50% sulphur limits. For example, there was opposition to MEPC 71/9/6 by Brazil and India underlining the need to gather data on fuel availability ahead of 2020, especially when enforcement from 1 January 2020 was made conditional on the results of a survey to be conducted in 2017-2018. This was opposed, since this would imply a repetition of the IMO fuel availability assessment, which would undermine legal certainty and delay timely preparation and planning.

DELETED

3. *Assuring the quality of marine fuels and links with sulphur in fuel regulations*

- *EU relevance*

The sulphur-in-fuel-related requirements of the revised MARPOL Annex VI have been reflected in Directive (EU) 2016/802 as regards the sulphur content of certain liquid fuels (codifying Directive 1999/32/EC and all subsequent amendments including Directive 2012/33/EU of 21 November 2012). While regulating only the sulphur content in marine fuel, the Directive broadly mirrors the IMO legal framework in relation to fuel quality, notably in relation to the definition of marine fuels, including standard ISO 8217, as well as to the sulphur in marine fuel verification procedure aligning with Appendix VI to Annex VI to MARPOL.

- *Developments*

The developments described below have high relevance since they are part or have close links to the IMO process to ensure the consistent implementation of the global sulphur cap.

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Agenda item 6 – Further technical and operational measures for enhancing energy efficiency of international shipping

Docs: MEPC 73/6, MEPC 73/6/1-3

MEPC 73/6 (Secretariat): provides information on the status of the IMO Ship Fuel Oil Consumption Database.

MEPC 73/6/1 (Singapore): shares the lessons learnt from Singapore's voluntary experience-building phase of the IMO data collection system for fuel oil consumption (DCS) and proposes some actions by the Committee, Administrations and recognized organizations for the smooth implementation of the IMO DCS.

MEPC 73/6/2 (IACS and OCIMF): urges the Committee to commence its consideration, at least at a preliminary level, of Phase 2 (data analysis) of the three-step approach. In particular, the document discusses how Phase 2 could be conducted, the schedule for undertaking it and who should conduct this Phase.

MEPC 73/6/3 (India and IACS): discusses the implementation of the requirements in chapter 4 of MARPOL Annex VI relating to the data collection system for fuel oil consumption of ships.

Global data collection system

- *Background*

In 2013, new ideas on further technical and operational measures to reduce emissions were proposed. The United States, with a support of a number of countries, including EU MS and the Commission, proposed measures to enhance energy efficiency with an initial data collection phase (similar to the EU MRV Regulation) to test efficiency indicators. The formal discussions started in April 2014 with the focus on the design of the core elements of a data collection system and concluded at MEPC 70, when the required amendments to MARPOL Annex VI were adopted and the related amendments to the SEEMP Guidelines agreed.

- *EU relevance*

Without recalling all decisions within the EU it is evident that there is a clear commitment by the EU to reduce GHG emissions, including emissions by shipping.

In April 2015, the European Parliament and the Council adopted Regulation (EU) 2015/757 to establish the legal framework for an EU system to monitor, report and verify (MRV) CO_2 emissions and energy efficiency from shipping. Regulation (EU) 2015/757 entered into force on 1 July 2015 and started to be implemented in 2018. Related delegated Commission regulations on verification and accreditation of verifiers and on the refinement of monitoring methods were adopted on 22 September 2016. Two additional implementing regulations on cargo parameters and templates were adopted by the Commission on 4 November 2016.

The EU MRV Regulation contains a review clause stating that in case of adoption of a global MRV system for shipping emissions, the Commission will review the regulation to consider alignment as appropriate. Following the adoption of the IMO Data Collection System last July, the Commission launched a review process comparing both systems, including in terms of objectives pursued. A public consultation on this issue was open until 1 December 2017. A legislative proposal by the Commission to amend the MRV Regulation is expected in the final months of this year.

- *Developments*

In MEPC 73/6, the IMO Secretariat informs IMO Member States about the status of the IMO Ship Fuel Oil Consumption Database. As requested by MEPC 72, the Secretariat has updated the database to include the communication feature that sends a list for ships falling under the scope to the Administration, while postponing the two remaining features, the reminder for Administrations on failing to submit data and requesting non-reporting Administrations to submit data (required from summer 2020). The list is only visible for MS that have assigned a contact person. The Commission also notes that as of 25 July, 18 Administrations of Parties to the MARPOL Annex VI have provided a contact for provision of data and 28 recognized organizations have been authorized by one or more Administrations of Parties to MARPOL Annex VI to submit fuel oil consumption data on behalf of these Administrations. The Secretariat has been contacted by 10 out of these 28 ROs to set up their web accounts for the database.

In MEPC 73/6/1, Singapore sets out lessons learnt from the voluntary experience-building phase (VEBP) of the fuel oil consumption data collection system. **DELETED**

The Commission recalls that fuel experts of standardisation organisations, such as the ISO, are working to ensure optimal coherence with the legal and technical framework of MARPOL in relation to the 0.50% fuel quality specifications. In particular, the IMO entrusted the ISO to develop a Publicly Available Specification (PAS) which would facilitate the categorization of the chemical and physical properties of the 0,50% sulphur fuels under ISO 8217. However, the PAS will not cover such factors. **DELETED**

In MEPC 73/6/2, IACS and OCIMF propose further clarifications as regards the methodology for undertaking IMO DCS analysis. **DELETED**

In MEPC 73/6/3, India and IACS also call for further clarifications and the need for unified interpretations as regards data collection system requirements. **DELETED**

Agenda item 7 – Reduction of GHG emissions from ships

Fourth Meeting of the Intersessional Working Group on Reduction of GHG emissions from ships (ISWG-GHG 4)

Docs: ISWG-GHG 4/1, ISWG-GHG 4/2, ISWG-GHG 4/2/1-14, ISWG-GHG 4/3, ISWG-GHG 4/3/1-4, ISWG-GHG 4/INF.2; MEPC 73/7, MEPC 73/7/1-11, MEPC 73/INF. 27, 29+Rev.1, 30

ISWG-GHG 4/1 (Secretariat): provides the provisional agenda of the ISWG-GHG 4.

ISWG-GHG 4/2 (Norway): contains proposals for a programme of follow-up actions of the Initial IMO GHG Strategy, and further elaborates on Norway's view on the candidate measures and the proposed actions, focusing on the period up to 2023. It presents an analysis of the impact on emissions from different generations of ships and the required reduction from these ships to reach the ambitions in the Strategy. The document elaborates more on what is needed to complete the actions, including specific guidelines, and connects them to the ambitions given in the Strategy and to the three-step approach of the Roadmap.

ISWG-GHG 4/2/1 (IAPH and IHMA): contains an overview of the main actions taken by ports to facilitate the reduction of GHG emissions from shipping. The objective is to inform the Working Group and contribute to the follow-up actions to the Initial IMO Strategy on reduction of GHG emissions from ships.

ISWG-GHG 4/2/2 (Australia and Japan): identifies the possible timelines of actions to be taken before 2023 in accordance with what has already been agreed at the Committee, and suggests an action plan to support implementation of the Initial GHG Strategy.

ISWG-GHG 4/2/3 (Antigua and Barbuda, Kenya, Marshall Islands, Palau, Solomon Islands, Tonga, Tuvalu): comments on the Initial IMO Strategy on reduction of GHG emissions from ships in regards to candidate measures and priorities for implementation, and an Action Plan to result in implementation of emissions reduction measures prior to 2023.

ISWG-GHG 4/2/4 (Panama): requests the Intersessional Working Group to analyse the development of Guidance for Good Practice for the implementation of national maritime plans for the reduction of GHG, as a way of advancing the issue of the reduction of greenhouse gas emissions from ships.

ISWG-GHG 4/2/5 (CESA): suggests that two submissions for MEPC 73 concerning alternative fuels, energy saving potentials and candidate measures are considered by ISWG-GHG 4.

ISWG-GHG 4/2/6 (China): provides China's perspective on developing a programme of follow-up actions of the Initial IMO Strategy, with a view to assisting IMO to deliver an effective, durable and balanced revised Strategy by 2023

ISWG-GHG 4/2/7 (China): as a candidate measure under the adopted Initial IMO Strategy, the development and implementation of National Action Plans (NAPs) will encourage fast actions and share best practice on reduction of GHG emissions from ships. Based on China's experience gained from the GloMEEP Project, the guide document on the Development of a national ship emissions reduction strategy is suggested to be used as a starting point for the development of NAP guidance for voluntary use by Member States. Furthermore, a new module is proposed to be added within IMO's Global Integrated Shipping Information System (GISIS) platform, to facilitate the voluntary submission of NAPs by Member States.

ISWG-GHG 4/2/8 (CSC): describes and proposes one approach to regulating ship operational speed and offers this as a contribution to the discussions around the use of ship speed to meet the goals of IMO's GHG Strategy. The approach involves exempting some ships and setting the maximum average ship speeds per annum differentiated by ship type and size. In the first instance this could involve capping speeds at the level of the baseline, with subsequent reductions designed to help IMO meet its 2030 carbon intensity target while avoiding any negative impacts.

ISWG-GHG 4/2/9 (ICS, BIMCO, INTERTANKO): reviews each of the candidate GHG emissions reduction measures contained within the Initial IMO Strategy on reduction of GHG emissions from ships and provides comments for the consideration of the Committee.

ISWG-GHG 4/2/10 (Liberia, ICS, BIMCO, INTERTANKO, INTERCARGO, IPTA): proposes strengthening the Ship Energy Efficiency Management Plan (SEEMP) in conjunction with early implementation of the Energy Efficiency Design Index (EEDI) phase 3 for some ship types. These measures would require only minimal amendments to existing instruments and could be agreed and implemented relatively quickly, delivering actual GHG reductions without undue delay and moving the industry towards meeting its 2030 target of improving efficiency as an average across the sector by at least 40%.

ISWG-GHG 4/2/11 (France): this document makes the case for including preparatory work on mid- and long-term measures in the programme of follow-up actions, in particular what Market-based Measures can bring. France believes that Market-based Measures could help create the appropriate economic context and enabling environment to encourage the transition to low-/zero-carbon fuels and technologies that are considered essential to meet the 2050 level of ambition. Some basic suggestions are made for such a measure and the introduction of dedicated work on this subject in the programme of follow-up actions is requested.

ISWG-GHG 4/2/12 (Argentina, Brazil, China, India, Indonesia and the Philippines): offers views on how to progress on the programme of follow-up actions of the Initial Strategy, with a focus on reducing uncertainties associated with emissions estimates and scenarios in the Fourth GHG study and assessing the impact of candidate measures on States. It provides an annex containing timelines for proposed technical work.

ISWG-GHG 4/2/13 (Belgium, Denmark, Finland, France, Germany, Ireland, Netherlands, Spain, Sweden and United Kingdom): notes that a programme of follow-up actions of the Initial Strategy should be developed. This submission proposes milestones for inclusion in the programme of follow-up actions, putting these next to those from the Roadmap, alongside milestones that reflect the Initial Strategy agreed at MEPC 72.

ISWG-GHG 4/2/14 (Belgium, Denmark, Finland, France, Germany, Ireland, Netherlands, Spain and United Kingdom): aims to prioritize measures that can reduce GHG emissions prior to 2023. Improvement of SEEMP could be one of those measures. This submission aims to initiate the discussion on approaches to improving SEEMP.

ISWG-GHG 4/3 (Greenpeace International, WWF, Pacific Environment and CSC): provides that implementing short-term measures, including accelerating the pace of newbuild technical efficiency standards and slowing ships down, improves the probability of reducing international shipping's total annual GHG emissions by at least 50% by 2050 compared to 2008.

ISWG-GHG 4/3/1 (Cyprus): provides comments on some of the short-term measures listed in the Initial IMO Strategy on reduction of GHG emissions from ships and puts forward suggestions regarding the potential implementation of said short-term measures.

ISWG-GHG 4/3/2 (Panama): proposes the inclusion of route optimization within the short-term list of measures as a tool for achieving the objectives and aspirations of the IMO strategy for the reduction of greenhouse gas emissions from ships.

ISWG-GHG 4/3/3 (Panama): proposes criteria for the implementation of the basket of non-exhaustive measures of the Initial IMO Strategy on reduction of GHG emission from ships.

ISWG-GHG 4/3/4 (RINA): considers a number of uncertainties and inaccuracies associated with percentage savings claims of energy saving methods which make it difficult to compare the effectiveness of the methods and may lead to an overestimate of the potential of such methods in reducing GHG emissions. It is suggested that a robust framework should be created to verify and provide appropriate guidance and context that can be applied to such claims, for the benefit of all stakeholders.

ISWG-GHG 4/INF.2 (Greenpeace International, WWF, Pacific Environment and CSC1): summarizes the key findings of an International Council on Clean Transportation (ICCT) working paper titled Relating short-term measures to IMO's minimum 2050 emissions reduction target.

MEPC 73/7 (Secretariat): presents information on the preparation for the Fourth IMO GHG Study expected to be initiated by MEPC 74.

MEPC 73/7/1 (Canada): seeks to raise awareness and interest in an initiative to advance international collaboration on environmental incentive programmes for ships. This collaboration is led by Canada's Vancouver Fraser Port Authority, and includes other marine ports, marine carriers, government agencies, non-governmental organizations and other industry stakeholders around the world. The participants are proposing a collaborative initiative to develop a common web-based platform that makes it easier for marine carriers to access environmental incentive programmes and makes it easier for ports to offer incentives. The participants are actively welcoming new members into the collaboration.

MEPC 73/7/2 (CESA and EUROMOT): contains proposed definitions and considerations to promote the timely introduction of alternative fuels, such as low-carbon, zero-carbon and fossil-free fuels into shipping.

MEPC 73/7/3 (CESA): contains proposals to further promote the timely uptake of technology with a focus on energy saving potentials for existing ships.

MEPC 73/7/4 (Cambodia, China, Ecuador, Georgia, Iran, Jamaica and Kenya): provides an update on the activities of the Global Maritime Technology Cooperation Centres Network (GMN) and seeks the consideration of the Committee to establish a dedicated voluntary multi-donor trust fund to sustain the activities of GMN with a view to supporting the implementation of the Initial IMO Strategy on reduction of GHG emissions from ships.

MEPC 73/7/5 (IAPH): contains a summary overview of the main actions taken by ports to facilitate the reduction of GHG emissions from shipping. Its objective is to inform the Committee and contribute to the follow-up actions to the Initial IMO Strategy on reduction of GHG emissions from ships.

MEPC 73/7/6 (Greenpeace International, WWF, Pacific Environment and CSC): implementing short-term measures, including accelerating the pace of newbuild technical efficiency standards and slowing ships down, improves the probability of reducing international shipping's total annual GHG emissions by at least 50% by 2050 compared to 2008.

MEPC 73/7/7: (China): provides comments on document MEPC 73/7, with a view to facilitating the considerations of the Terms of reference for the Fourth IMO GHG Study by the Committee.

MEPC 73/7/8 (Australia, Canada and the United States): provides comment on document MEPC 73/7, which presents information on the preparation for the Fourth IMO GHG Study expected to be initiated by MEPC 74.

MEPC 73/7/9 (BIMCO): solid projections of future emissions from international shipping are dependent on three aspects. Firstly, a comprehensive and full set of data for historic global seaborne trade. Secondly, acceptable assumptions on global GDP growth for future years to project the trade data to future years. Thirdly, a robust model for future fleet development, productivity and speed to convert future trade data to future emissions. All three elements must be trustworthy to produce solid results and the Terms of reference for the Fourth IMO GHG Study should reflect this.

MEPC 73/7/10 (Argentina, Brazil, China, India, Indonesia and Philippines): provides comments to document MEPC 73/7 on preparation for the Fourth IMO GHG Study.

MEPC 73/7/11 (Argentina, Brazil, China, India, Indonesia and Philippines): provides comments to document MEPC 73/7 on preparation for the Fourth IMO GHG Study.

MEPC 73/INF.27 (Greenpeace International, WWF, Pacific Environment and CSC): summarizes the key findings of an International Council on Clean Transportation (ICCT) working paper titled Relating short-term measures to IMO's minimum 2050 emissions reduction target.

MEPC 73/INF.29 + Rev.1 (FOEI): FOEI outlines the benefits associated with vessel shore power and progress globally with respect to its installation, specifically in the annex.

MEPC 73/INF.30 (Secretariat): informs the Committee of the two recently finalized Emissions Toolkits that were developed within the framework of the GEF-UNDP-IMO GloMEEP Project and in collaboration with IMarEST and IAPH.

- *Background*

IMO work on reduction of GHG emissions started in 1997. It was only in 2011 that the IMO adopted technical and operational measures by amending Annex VI of MARPOL and setting a mandatory limit on the Energy Efficiency Design Index (EEDI) for new ships of 400 gross tonnages and above, and mandating the use of the Ship Energy Efficiency Management Plan (SEEMP) for all ships of 400 gross tonnages and above.

At the Paris climate conference (COP21) in December 2015, 195 countries adopted a historic and legally binding global climate agreement. Governments agreed to limit global temperature increase to well below 2°C compared to pre-industrial levels, and to pursue efforts to limit the temperature increase to 1.5°C. Furthermore, it has been agreed that all anthropogenic emissions ought to be addressed, meaning that efforts have to be done by all countries but also by all emitting sectors, including international aviation and shipping. The international shipping sector is therefore expected to contribute its fair share of emission reductions against the well below 2°C objective. Otherwise, efforts achieved in other sectors would be severely undermined.

Since 2015, the EU has been financing the IMO Global Maritime Network (Maritime Technology Cooperation Centres) setting up regional support facilities.

In 2016, following the adoption and entry into force of the Paris Agreement, the MEPC agreed on a roadmap for developing a comprehensive IMO strategy on reduction of GHG emissions from ships which envisaged the adoption of an initial IMO strategy in spring 2018. Furthermore, similarly to the EU MRV system (operational since 1 January 2018), the IMO adopted a mandatory data collection mechanism which entered into force on 1 March 2018.

The Initial IMO strategy on reduction of GHG emission from ships was adopted at MEPC 72. It defines an emission reduction objective of at least 50% reduction by 2050 compared to 2008 annual GHG emissions coupled with a vision for the decarbonisation of the sector, and a list of possible short-, mid- and long-term further measures to achieve such objectives. In addition, the strategy acknowledges certain guiding principles and the need to assess the impact of any emission reduction measure on States. It identifies supportive measures, including capacity building, technical cooperation and research and development. The revision of this strategy is planned for spring 2023.

The fourth intersessional working group (ISWG) to reduce GHG emissions from ships planned ahead of MEPC 73 has been convened to discuss a work programme for implementing the Initial strategy, including the candidate measures identified in the strategy.

- *EU relevance*

Without recalling all decisions within the EU, it is evident that there is a clear commitment by the EU to reduce GHG emissions, including emissions by shipping. Further to the EU Regulation on the monitoring, reporting and verification of carbon dioxide emissions from maritime transport (Regulation (EU) 2015/757), Directive (EU) 2018/410 mandates the EU to review the progress achieved in the IMO towards an ambitious emission reduction objective, and on accompanying measures to ensure that the sector duly contributes to the efforts needed to achieve the objectives agreed under the Paris Agreement.

Ahead of MEPC 72, the EU agreed to aim for a higher level of ambition in terms of emission reduction objective, namely between 70 to 100 % by 2050 compared to 2008 levels. Against this, the strategy adopted at MEPC 72 represents a promising first step to secure the contribution of the international shipping sector to the global efforts to fight climate change in the framework of the Paris Agreement, with a need to review and up-grade the emission reduction objective, in the light also of the commitment of the IMO to achieve zero emissions as soon as possible in this century.

This is important in order to set the sector on the path towards full decarbonisation that should take place as soon as possible. The emission reduction objective set in the strategy will be reviewed and adjusted as part of the revised strategy of 2023, taking into account data on actual levels of emissions to become available in the next years. One key priority of the IMO now should be the development and implementation of short-term measures that can reduce emissions also before 2023 as well as work to begin on the development of other candidate measures aiming for agreement by 2023.

The EU also recognised that many developing countries, especially small developing islands states (SIDS) and least developed countries (LDCs) are concerned about the possible impacts of emission reduction measures to be developed as part of the IMO strategy to reduce GHG from ships. The EU financed the "Capacity Building for Climate Change Mitigation in the Maritime Shipping Industry" project. This €10 million project was managed by the IMO from 2015 onwards and will last until 31 December 2019. The EU could consider further technical assistance and capacity building measures and is encouraging third countries to launch similar projects.

- *Developments*

A relatively limited number of submissions were made under this agenda item for MEPC 73, none by EU Member States. The discussion on the implementation of the Initial Strategy is therefore expected to be driven by the result of the preceding ISWG.

MEPC 73 submissions

- *Short term measures*

The candidate short-term measures addressed by the submissions to MEPC 73 include further improvement of the existing energy efficiency framework with a focus on:

- *an early phase 4 for EEDI and speed reduction (FOEI et al., MEPC 73/7/6);*
- *for existing ships the development of a new EEDI mechanism, the establishment of an Existing Fleet Improvement Programme and a SEEMP audit (CESA, MEPC 73/7/3);*
- *preparatory action to promote alternative fuels (CESA and EUROMOT, MEPC 73/7/2); and*
- *environmental incentive programmes (Canada, MEPC 73/7/1) and port initiatives (IAPH, MEPC 73/7/5).*

These initiatives should be fed into discussions on short term measures in the working group.

- *4th IMO GHG study*

Work underway also includes the preparation of the fourth IMO GHG Study (MEPC 73/7), for which the terms of reference should be finalised within the working group and the outline and timeline approved in principle. China (MEPC 73/7/7) argues that the new study should be aligned with the new IMO Strategy on GHG emission reduction and include carbon intensity and have 2008 as a base date. Argentina et al. (MEPC 73/7/10) make the point that the IMO GHG emission reduction roadmap provides a tighter timeline and to facilitate the extra elements to be taken into account this time advocates: additional technical work, an expert workshop to examine possible difficulties; a steering group; and peer review before publication. Their proposals should be examined to see to what extent they could ensure that the study and subsequent report are produced in a timely fashion. In a separate document (MEPC 73/7/11), Argentina et al. call for the scenarios to be examined to be widened to include all possible combinations of representative concentration pathways and shared socioeconomic pathways.

- *MTCC*

Furthermore, in reaction to the time limitation of the ongoing EU-funded project providing technical assistance to developing countries, especially small developing islands states (SIDS) and least developed countries (LDCs), the co-sponsors of MEPC 73/7/4 (Cambodia, China, Ecuador, Georgia, Islamic Republic of Iran, Jamaica and Kenya) invite the Committee to take note of the activities of the Global Maritime Technology Cooperation Centres Network (GMN) and consider a proposal to establish a GMN voluntary multi-donor trust fund at the IMO Secretariat to sustain GMN in support of the implementation of the Initial IMO Strategy on reduction of GHG emissions from ships. **DELETED**

ISWG-GHG 4 submissions

The submissions to the fourth ISWG-GHG primarily concern the development of a programme of follow-up actions of the Initial IMO strategy on reduction of GHG emissions from ships, including first considerations on some of the candidate measures identified by the IMO Initial Strategy. The following submissions to the ISWG-GHG were made by EU Member States, namely:

1. France in its submission (ISWG-GHG 4/2/11) proposes preparatory work for market-based measures for the medium and long term;
2. Belgium, Denmark, Finland, France, Germany, Ireland, Netherlands, Spain, Sweden and the United Kingdom in their submission (ISWG-GHG 4/2/13) propose a programme with timelines; a method of addressing impacts on states and mention the revision of EEDI and SEEMP as specific measures;
3. Belgium, Denmark, Finland, France, Germany, Ireland, Netherlands, Spain and the United Kingdom in their submission (ISWG-GHG 4/2/14) propose better use of SEEMP: mandatory goal setting and audits; standardised speed-fuel measurements; operational optimisation measures and impact assessments in parallel; and
4. Cyprus puts forward a range of short term measures for consideration in ISWG-GHG 4/3/1: EEDI, SEEMP, re-examining the merits of alternative operational indicators to EEOI, Existing Fleet Improvement programme, speed optimisation and regulation of methane slip.

DELETED

Within agenda item 2 to develop a programme of follow-up actions, proposals range from:
- *the development of timelines (ISWG-GHG 4/2/2), action plans (ISWG-GHG 4/2/3) and a programme (ISWG-GHG 4/2, 4/2/12), in association with an impact assessment of measures (ISWG-GHG 4/2/12);*
- *the promotion of National Action Plans, based on the outcome of IMO's GLOMEEP project, and their voluntary submission to IMO's GISIS platform (ISWG-GHG 4/2/7)*
- *the categorisation of measures (ISWG-GHG 4/2/6);*
- *the promotion of specific measures: speed optimisation (ISWG-GHG 4/2/8); SEEMP and EEDI developments (ISWG-GHG 4/2/10);*
- *longer term goals: MBM preparatory work proposed by France (ISWG-GHG 4/2/11); alternative fuels (ISWG-GHG 4/2/5); as well as*
- *establishment of guidance on good practices (ISWG-GHG 4/2/4); and examples (ISWG-GHG 4/2/1).*

Within agenda item 3 on how to progress reduction of GHG emissions from ships, proposals focus more on method:

- *relating short term measures to targets (ISWG-GHG 4/3)*
- *establishing criteria for applying measures (ISWG-GHG 4/3/3)*
- *verifying energy efficiency indicators (ISWG-GHG 4/3/4); as well as*
- *specific proposals: route optimisation (ISWG-GHG 4/3/2) and the range of short term measures put forward by Cyprus in ISWG-GHG 4/3/1.*

The range of proposals for both ISWG-GHG agenda items mean that there will necessarily have to be a prioritisation of focus. **DELETED**

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Agenda item 8 – Development of an action plan to address marine plastic litter from ships

Docs: MEPC 73/8, MEPC 73/8/1-11, MEPC 73/INF.9 and 25

MEPC 73/8 (Secretariat): as requested by MEPC 72, this document by the Secretariat provides a summary of IMO work on addressing marine plastic litter, including a status update on interagency cooperation.

MEPC 73/8/1 (Indonesia): presents consideration and proposes an action plan to address marine plastic litter from ships.

MEPC 73/8/2 (Chile, Cook Islands, Fiji, Ghana, Iceland, Jamaica, Kiribati, Marshall Islands, Monaco, Norway, Palau, Solomon Islands, Tuvalu, Vanuatu and SPREP): proposes a draft action plan to address marine plastic litter from ships, and includes a timeline for the development of this work while underscoring the need for the Committee to agree on some guiding principles. In order to progress this work, the co-sponsors request that the Committee establishes a working group at MEPC 73 and any relevant correspondence groups to assist PPR 6 and any other relevant Sub-Committee with the immediate work relating to this output under a dedicated agenda item.

MEPC 73/8/3 (**EU**): responds to the request from MEPC 72 to submit concrete proposals to MEPC 73 on the development of an action plan on marine plastic litter from ships.

MEPC 73/8/4 (New Zealand): comments on document MEPC 73/8/2 (Chile et al.) on the development of an action plan to address marine plastic litter from ships. It supports all the proposals for further and detailed consideration and specifically supports the inclusion in the action plan of a number of the proposed measures.

MEPC 73/8/5 (India): offers some valuable proposals, which are to be considered while drafting the action plan to minimize plastic litter, especially for thin gauge plastic bags and fishing net pollution in the sea from ships. The annex provides an analysis of the data available in GISIS with respect to alleged inadequacies of port reception facilities (PRFs) in relation to plastic litter.

MEPC 73/8/6 (FAO): provides information relevant to the development of an action plan to address marine plastic litter from ships, in particular relating to FAO's work on fishing vessels, ALDFG and microplastics. This document also provides complementary information to documents MEPC 73/8 and MEPC 73/8/1 and specific comments on document MEPC 73/8/2.

MEPC 73/8/7 (FOEI, Greenpeace International and Pacific Environment): while the deployment of drifting Fish Aggregation Devices (dFADs) has continued to increase, basic data on dFADs use are still missing. Some industrial fleets deploy high numbers of dFADs which will be abandoned as part of their fishing strategy; and management organizations are failing to both effectively limit their use and ensure that accurate data on their use and fate is collected and reported. In the current context and in absence of clear removal and reporting obligations, the regulatory response is inadequate and the use of dFADs continues to make a significant contribution to marine pollution.

MEPC 73/8/8 (ICS, BIMCO, INTERTANKO and WSC): provides comments on documents MEPC 73/8 and MEPC 73/8/2, and requests that the new action plan to address marine plastic litter from ships should be implemented with a shared responsibility ashore as well as on board.

MEPC 73/8/9 (Russia): contains comments on the proposal to develop an action plan to address marine plastic litter from ships and related proposed actions.

MEPC 73/8/10 (FOEI, Greenpeace International, WWF, Pacific Environment and CSC): provides comments and additional proposals on document MEPC 73/8/2 in relation to grey water, port waste reception facilities, pollutant carriage and release, and education and awareness.

MEPC 73/8/11 (BIMCO and WSC): offers considerations regarding the loss of containers vector included in the draft action plan proposed in document MEPC 73/8/2 to address marine plastic litter from ships and recommends that the Committee consider development of a mandatory reporting system for containers lost at sea.

MEPC 73/INF.9 (Indonesia): provides information on Indonesia's Plan of Action on Marine Plastic Debris 2017-2025 and the Marine Debris Hotspots Rapid Assessment Exercise.

MEPC 73/INF.25 (OSPAR Commission): provides information regarding the OSPAR Commission's activities on marine litter.

- *Background*

As a follow-up to successive UNEA resolutions on plastic litter and microplastics, a UN Ad Hoc Working Group is preparing options for improving the international governance on marine litter from all sources; these options will be presented in the next UNEA meeting, planned for March 2019.

At the 30th session of the IMO Assembly in December 2017, France and Spain amongst others submitted a document calling on the IMO Assembly for an enhanced commitment at Assembly level as related to UN Sustainable Development Goal 14 and plastic marine litter. The document also advocated that IMO commit to enhanced coordination between IMO and other agencies with regard to the Governance of the Oceans. The Assembly responded favourably to this request and forwarded it to MEPC for further consideration.

While supportive of the substance, the Commission pointed out that this issue was one of EU competence and should have been made as a Union submission.

- *EU relevance*

The issue of marine litter from ships is covered by Directive 2000/59/EC on port reception facilities, which includes garbage as defined in MARPOL Annex V. Ships need to deliver all their garbage waste to ports before departure, as set out in article 7 of the Directive, and Article 4 of the Directive requires provision of adequate Port Reception Facilities to receive the garbage waste.

The PRF Directive has been the subject of review with a proposal for a new Directive (COM(2018)33) having been adopted by the Commission in January 2018 as part of the Commission's Plastics Strategy. The proposal specifically addresses the problem of marine litter from ships and seeks to maximise garbage deliveries to port.

To this end, the proposal provides for a 100% indirect fee for Annex V waste from ships, and has also included fishing vessels and recreational craft in the indirect fee (see recital 18): after payment of an indirect fee (irrespective of actual delivery) the ship has a 'right of delivery', i.e. without facing any additional direct fee based on volume delivered. The so-called passively fished waste[7] has also been included in the right of delivery. As stipulated above, ports will need to provide for separate collection of Annex V waste in view of further re-use and recycling. Finally, it has been proposed to further develop the "Green Ship" concept to encourage better waste management on board the vessel, which should build on MARPOL Guidelines and international standards.

For these reasons, the subject matter of the submission is one of EU competence under the Port Reception Facilities Directive.

In addition, Directive 2008/56/EC (Marine Strategy Framework Directive and Directive 2000/60/EC (Water Framework Directive) provide relevant provisions that should be taken into account. Finally, the Commission has adopted a proposal on the reduction of the impact of certain plastic products on the environment (COM(2018) 340), which in addition to single use plastics includes waste fishing gear, and envisages the setting up of Extended Producer Responsibility Schemes for the financing of this waste.

Both the PRF proposal and the SUP proposal will be negotiated between the Council and European Parliament in trilogue meetings in the Autumn, around the time of the MEPC meeting, with a view of adoption by the co-legislators in 2019. The EU submission on marine litter reflects the main elements contained in the PRF proposal.

This marine litter initiative is also in line with the Commission's Joint Communication on international ocean governance: an agenda for the future of our oceans and more specifically action 9 on the fight against marine litter[8].

- *Developments*

MEPC 72 agreed to a new output, "Development of an action plan to address marine plastic litter from ships" in the 2018-2019 biennial agenda of MEPC, assigning the PPR Sub-Committee as the associated organ, with a target completion year of 2020.

In MEPC 73/8, the Secretariat sets out a summary of IMO work to address marine plastic litter.

In MEPC 73/8/1, Indonesia calls for baseline data for marine litter, including any studies/research; for PPR to draw up a detailed timeframe with the 2020 completion target; and an action plan.

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7 The PRF proposal has introduced the passively fished waste as a new waste stream in the scope of the Directive, referred to as 'waste that is collected in nets during fishing operations' (Article 2(c)).

8 http://ec.europa.eu/maritimeaffairs/sites/maritimeaffairs/files/join-2016-49_en.p

In MEPC 73/8/2, Chile et al. propose a draft action plan, a timeline and underline the need for MEPC to agree on some guiding principles. They request a working group at MEPC 73 to progress the issue as well as relevant correspondence groups. The paper indicates some research sources and covers a wide number of issues in relation to tackling marine litter. In MEPC 73/8/4, New Zealand gives its support in principle to all the proposals set out in Chile et al.'s document, mentioning its own research and highlighting a few elements (review of MARPOL Annex V; involvement of PSC MoUs; loss of containers; and seafarer training) for inclusion in the action plan.

In MEPC 73/8/3, the EU sets out elements for an IMO action plan with a number of specific recommendations, which broadly reflect the new PRF measures that the EU has developed with a view of increasing the delivery of MARPOL Annex V waste by all ships (including fishing vessels and recreational craft) to adequate port reception facilities in EU ports.

In MEPC 73/8/5, India proposes collection of baseline data and ship incentives; a focus on fishing gears and plastic bags; and a major ITCP project.

In MEPC 73/8/6, FAO provides information on its work with fishing vessels, ALDFG and microplastics and indicates its interest in active involvement in the formulation of the action plan.

In MEPC 73/8/7, FOEI et al. focus on Discarded Fish Aggregation Devices (dFADs) and the need to address this issue in particular within the action plan.

DELETED

Agenda item 9 – Development of measures to reduce risks of use and carriage of heavy fuel oil as fuel by ships in Arctic waters

Docs MEPC 73/9, MEPC 73/9/1, MEPC 73/INF.19

MEPC 73/9 (Canada and Russia): provides the progress report of an informal correspondence group convened to provide guidance on the process of conducting an impact assessment on Arctic communities and economies of a proposed ban on heavy fuel oil (HFO), including a summary of discussions and description of remaining issues.

MEPC 73/9/1 (United States): responds to a request from the Committee for Member Governments to submit concrete proposals on an appropriate impact assessment methodology process to evaluate a ban on the use and carriage of heavy fuel oil (HFO) as fuel on ships in Arctic waters.

MEPC 73/9/2 (Finland): provides comments on document MEPC 73/9, which provides a progress report of an informal correspondence group convened to provide guidance on the process of conducting an impact assessment on Arctic communities and economies of a ban on the use and carriage of Heavy Fuel Oil (HFO) as fuel by Arctic shipping. This document comments on the methodology proposed by Canada and the Russian Federation in document MEPC 73/9 to make an impact assessment and proposes a five-step process for consideration. Furthermore, the document notes that much of the work necessary to complete such an assessment has already been undertaken.

MEPC 73/9/3 (FOEI, Greenpeace International, WWF, Pacific Environment and CSC): provide feedback on document MEPC 73/9 on "Report of the informal correspondence group on the determination of an appropriate impact assessment methodology" submitted by Canada and the Russian Federation, and draws attention to new studies that will contribute to assessing the economic and environmental impacts of a ban on the use of heavy fuel oil and carriage as fuel by ships in the Arctic.

MEPC 73/INF.19 (Canada and Russia): provides a collation of comments on the work of an informal correspondence group on the determination of an appropriate impact assessment methodology.

Use and carriage of Heavy Fuel Oil (HFO) in the Arctic

- *Background*

In MEPC 71/14/4, Canada, Finland, Germany, Iceland, Netherlands, Norway and the United States proposed the development of measures to reduce risks of use and carriage of heavy fuel oil (HFO) as fuel by ships in Arctic waters. The proposal called on the collective expertise of Member States, the maritime shipping industry, and other interested parties to develop a pragmatic solution that effectively addresses environmental concerns, considers impacts on Arctic communities and economies, and facilitates transition for industry. It recognised that under any application formulation, it will be important to maintain a level playing field within the Arctic region for elements of the shipping sector that operate ships in Arctic waters and to consider the impacts on other sectors that rely upon their services. Russia through MEPC 71/14/4 challenged the supporting submissions pointing to evidence showing that activities other than shipping are primarily responsible for black carbon in the Arctic. MEPC 71 agreed to include a new output on "Development of measures to reduce risks of use and carriage of heavy fuel oil as fuel by ships in Arctic waters" in the 2018-2019 biennial agenda of the Committee, assigning the PPR Sub-Committee as the associated organ, with two sessions needed to complete the work and invited concrete proposals on what type of measures should be developed, including the scope of the work on the new output, to MEPC 72 for consideration, with a view to giving clear instructions to PPR 6 to start the work. The mandatory or recommendatory nature of the provisions would be considered at a later stage.

DELETED

MEPC subsequently asked PPR to develop a definition of HFO taking into account regulation 43 of MARPOL Annex I; prepare a set of Guidelines on mitigation measures to reduce risks of use and carriage of heavy fuel oil as fuel by ships in Arctic waters, taking into account document MEPC 72/11; and on the basis of an assessment of the impacts, develop a ban on HFO for use and carriage as fuel by ships in Arctic waters, on an appropriate timescale. The agenda item was retained for MEPC 73 to address the issue of an appropriate impact assessment methodology to enable the PPR Sub-Committee to undertake its work.

- *Developments*

In MEPC 73/9, Canada and Russia indicate the outcome of their informal correspondence group (six IMO member States and an observer) which aimed to agree on an appropriate impact assessment methodology to enable the PPR Sub-Committee to undertake its work. The full comments are set out in MEPC 73/INF.19 and the group invites others to take this work further prior to PPR 6. In MEPC 73/9/2, Finland points out that much of the work needed to complete such assessments has already been undertaken, but puts forward a five step process for consideration. FOEI et al. in MEPC 73/9/3 highlight certain impact assessment studies, which would lend support to the introduction of a ban.

In MEPC 73/9/1, the United States sets out structured proposals for a methodology for an impact assessment of a ban on HFO in Arctic waters.

DELETED

Agenda item 10 – Identification and protection of Special Areas, ECAs and PSSAs

Docs: MEPC 73/INF.18

MEPC 73/INF.18 (Indonesia): informs of the progress on the development of the proposal to designate Nusa Penida Islands, which lie in close proximity to international shipping routes in the Lombok Strait located between the islands of Lombok and Bali, as a PSSA. A submission to the Committee is expected to be submitted at its seventy-fourth session.

Agenda item 11 – Pollution prevention and response

Docs: MEPC 73/11, MEPC 73/11/1-4, MEPC 73/INF.5, 14 and 15

MEPC 73/11 (Secretariat): provides the list of actions requested of the Committee on matters emanating from PPR 5 other than urgent matters on which it took action at MEPC 72.

MEPC 73/11/1 (United States): expands on the ongoing discussion related to a proposed new output on multiple engine operating profiles for marine diesel engines. In consideration of the many comments put forward regarding multiple engine operation profiles and off-cycle engine operation as it pertains to compliance with the irrational emission control strategy requirement of regulation 13.9 of MARPOL Annex VI, the United States proposes an approach known as "Not to Exceed Zones". This will help ensure that NO_x emission reductions are achieved when an engine is operating at modes not included in the certification test cycle. Further, the United States reiterates its concerns regarding the use of multiple engine operation profiles and our belief that such a strategy is already prohibited by MARPOL Annex VI.

MEPC 73/11/2 (India, Marshall Islands, United States and IACS): provides comments on the draft 2018 Guidelines for the application of MARPOL Annex I requirements to floating production, storage and offloading facilities (FPSOs) and floating storage units (FSUs), as agreed at PPR 5.

MEPC 73/11/3 (IMarEST): provides proposed amendments to the draft guidance contained in document PPR 5/24, annex 19.

MEPC 73/11/4 (IACS): seeks the Committee's advice with regard to any action that needs to be taken with electronic recording systems on "existing ships" that do not comply with the new draft Guidelines for the use of electronic record books under MARPOL. It also seeks clarification of the Committee on the intent of paragraph 4.4.5 of the draft Guidelines.

MEPC 73/INF.5 (CESA): provides the results of a sampling campaign of washwater from exhaust gas cleaning systems on a series of ships and the subsequent analysis performed jointly by EGCSA (the Exhaust Gas Cleaning Systems Association) and Euroshore (the association representing port waste reception facility providers).

MEPC 73/INF.14 (Netherlands): informs that public and private partners in the Netherlands have signed an agreement to stimulate the delivery of wash water containing paraffin waxes to a port reception facility. Ships will be compensated for the costs of delivery and treatment of the wash water. With this agreement, the Netherlands contributes to a reduction of paraffin that is washed to shore or ingested by fish, sea mammals and birds.

MEPC 73/INF.15 (United States): provides information about the development of Not to Exceed Zones in the United States Federal marine diesel engine regulatory process.

DELETED

- *EU relevance*

Union legislation in the field of air quality sets out obligations to be achieved by Member States covering a whole range of pollutants, including NO_x. In addition, the Union has put in place a wide range of substance-specific source based air pollution legislation controlling NO_x emissions, inter alia, by means of fuel and engine standards, for various stationary and mobile emission sources (e.g. Euro standards for cars and trucks, or for inland waterway vessels in the Non-Road Mobile Machinery Directive).

Directive 2008/50/EC on ambient air quality sets NO_2 limit values to be respected by Member States in their territory. A number of Member States are currently infringing the NO_2 limit values set out in the Ambient Air Quality Directive, and although the said Directive does not regulate specific sources of NO_x emissions, Member States are obliged to consider and implement the necessary measures that will bring them in compliance. NO_x emissions from different national sources are also covered through Directive 2016/2284 2001/81/EC on the reduction of national emission ceilings of for certain atmospheric pollutants (which covers national emissions ceilings for SO_2, NO_x, VOC, and NH_3 and PM2,5). Although the emission reduction commitments in this Directive do not include emissions from maritime shipping, Art. 15 of Directive 2016/2284 on national emission ceilings invites the Union and the Member States to pursue multilateral cooperation with third countries and coordination within international organisations, including the IMO, to promote the achievement of the objective of the said Directive, which is to limit emissions of air pollutants from all sources.

In this context, the Commission Communication "A Clean Air for all" (COM(2018) 330) sets out wide-ranging policy efforts of the EU to support and facilitate the necessary measures of the Member States to meet their targets, and the enforcement action being taken to help ensure that the common objective of clean air for all Europeans is achieved and maintained across the EU.

The Commission report to the EP and the Council on the implementation of Directive (EU) 2016/802 addressing sulphur content in marine fuels shows an increasing concern in the major port cities in Europe about the contribution of shipping emissions in the ports itself and in coastal areas especially considering that several Member States are facing court cases for infringements under the said Directives.

Therefore, there is an EU interest to monitor current and potential additional measures taken by the Member States to reduce emissions from shipping (CO_2, NO_x, SO_x, PM, etc.), especially in areas that have not been designated as ECAs. One such example is the deployment of Onshore Power Supply (OPS), and of alternative fuels, due to their positive effects on ports air quality. OPS is foreseen in Art 4 of Directive 2014/94/EU on the deployment of alternative fuels infrastructure and Directive (EU) 2016/802 encourages the use of OPS in Article 7.

Indeed particular importance should be given to measures leading to combined benefits for climate and AQ policies such as those resulting in reduction of fuel consumption (in the case of the future use of multiple engine maps in conjunction, however, with associated NO_x abatement systems to avoid NO_x exceedances) and ensuring the level playing field across ports and sea areas.

- *Developments*

The use of multiple engine maps to reduce fuel consumption was proposed by Norway in their document MEPC 69/19/1. US opposed such a proposal as set out in documents MEPC 69/19/4, MEPC 71/9/4, PPR 4/20 and PPR 5/23/3, as the Norwegian proposal in their view constitutes an irrational control strategy and is not allowed under regulation 13.9 of MARPOL Annex VI.

DELETED

MEPC 71 asked PPR 5 to consider the title of the proposed new output and the associated scope of work, including the definition of "Map". PPR 5 agreed to a revised title of the proposed new output: "Development of amendments to MARPOL Annex VI and the NO_x Technical Code on the use of multiple engine operational profiles for a marine diesel engine". PPR also agreed to a proposed scope of work:

> *"Clarify whether multiple engine operational profiles are allowed, and if so, what regulatory controls should be applied, noting these may also need to include amendments to MARPOL Annex VI and the NO_x Technical Code 2008, and if not allowed, then what amendments would be necessary to MARPOL Annex VI and the NO_x Technical Code 2008 to explicitly prohibit multiple engine operational profiles."; and invited MEPC 73 to approve the new output, taking into account the associated scope of the output and their description of "Engine Operational Profile".*

The US in their document MEPC 73/11/1 propose a discussion on the establishment of Not To Exceed zone (NTE), which has links with the US applied approach to certify engines for NO_x compliance. The purpose of an NTE zone is to ensure that a marine engine operates with low emissions under all in-use speed and power combinations that may occur on a vessel, rather than just at discrete modes of operation within the selected test cycle. Under this approach, an engine must comply with the NO_x standard times a multiplier within a defined operation zone that extends around the certification test cycle points. The NTE zone itself should include the engine speed/power settings where an engine would reasonably be expected to operate in use.

DELETED

1. *Draft Amendments to MARPOL Annex II (MEPC 73/11, para 3.7.6) relating to cargo residues and tank washings of persistent floating products with a high viscosity and/or a high melting point*

Directive 2005/35/EC of the European Parliament and of the Council on ship-source pollution and on the introduction of penalties for infringements incorporates international standards for ship-source pollution into EU law and seeks to ensure that persons responsible for illegal discharges are subject to adequate penalties. Polluting substances in the Directive are defined as substances covered by MARPOL Annexes I and II. Furthermore, Directive 2000/59/EC on port reception facilities for ship-generated waste and cargo residues requires Member States to ensure the availability of port reception facilities adequate to meet the needs of ships normally using their ports and requires ships to deliver their waste, including cargo residues, to those facilities before departure, with the ultimate goal of reducing discharges of waste from ships at the sea. The Annex II tank washings qualify as cargo residues under this Directive. The PRF Directive also requires ships to pre-notify the next port of any waste and cargo residues it wishes to deliver, and what will be retained on board, as well as the storage capacity available.

- *Developments*

There was an EU position to support consideration of this issue as a new output for PPR at MEPC 68. EU support for a resolution of this problem continued at PPR 5. The relevant amendments to MARPOL Annex II were finalised and are for approval with a view to adoption. **DELETED**

2. *2018 Guidelines for the discharge of exhaust gas recirculation bleed-off (MEPC 73/11, para 3.7.8)*

- *EU relevance*

While there are currently no EU rules regulating the use of exhaust gas recirculation (EGR) on-board ships, there are existing EU rules regulating surface water quality (Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (Water Framework Directive) and Directive 2008/56/EC of the European Parliament and of the Council establishing a framework for community action in the field of marine environmental policy (Marine Strategy Framework Directive)) as well as the emissions of priority substances and other pollutants including excess nutrients to water (Water Framework Directive and Directive 2008/105/EC of the European Parliament and of the Council on environmental quality standards in the field of water policy, amending and subsequently repealing Council Directives 82/176/EEC, 83/513/EEC, 84/156/EEC, 84/491/EEC, 86/280/EEC and amending Directive 2000/60/EC of the European Parliament and of the Council).

The Guidelines may impede Member States' options to achieve the mandatory quality objectives set out in EU surface water quality legislation. In case of particular sensitive sea areas, Member States may choose to apply stricter requirements in order to achieve the obligations set out in the relevant EU acquis.

- *Developments*

DELETED

- *EU relevance*

While there are currently no EU rules regulating the use of Selective Catalytic Reduction (SCR) systems on-board ships to reduce NO_x emissions, the EU has a general interest in performing on-board emission tests which adequately reflect actual operating conditions in addition to test-bed approval. Furthermore, and in view of the recent designation of the Baltic and North Seas as NO_x Emission Control Areas (NECAs) during MEPC 70, there is also a general interest to maintain the approval methods in the IMO Guidelines (resolution MEPC.291(71)), the '2017 Guidelines', and the 2008 NO_x Technical Code as flexible as possible to allow for a wider variety of compliant NO_x abatement suppliers and solutions.

- *Developments*

At PPR 5, a coordinated position was agreed to "Support in general the amendments to the 2008 NO_x Technical Code and associated Guidelines aiming at ensuring Scheme A and B equivalency as set out in PPR 5/10/2 by Sweden and SYBAss and taking into account PPR 5/10 by IACS." **DELETED**

3. *Other issues - Cybutryne*

- *EU relevance*

The EU Biocidal Product Regulation (EU) No 528/2012 regulates the use of i.a. anti-fouling substances. Following the outcome of several scientific studies and the peer review performed at EU level, the Commission adopted a decision that effectively prohibits the making available on the market and the use of anti-fouling paints containing cybutryne in all EU Member States (Commission Implementing Decision (EU) 2016/107 of 27 January 2016) and EEA States. The ban is EU-wide, but not worldwide (even if other countries have already decided to ban or severely restrict the substance).

- *Developments*

PPR 5 requested MEPC (MEPC 73/11, para 3.7.26) to invite the submission of a comprehensive proposal to amend annex 1 to the AFS Convention to include controls on cybutryne, containing all the information required in annex 3 to the AFS Convention and taking also into account the concerns expressed at PPR 5 concerning the need for a robust process for risk assessments and the possibly limited geographical scope of the risk assessments carried out for the initial proposal. In answer to concerns about the limited geographical scope, the EU has submitted MEPC 73/INF.10. which provides additional scientific information and results to support the EU initiative to ban cybutryne under the AFS Convention. The paper highlights the worldwide nature of the studies and research that confirm the toxic nature of cybutryne. The Commission would advocate support for PPR's request to MEPC.

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Agenda item 12 – Reports of other sub-committees

Docs: MEPC 73/12

MEPC 73/12 (Secretariat): the Committee is invited to take action on matters emanating from HTW 5.

Agenda item 13 – Technical cooperation activities for the protection of the marine environment

Docs: MEPC 73/13, MEPC 73/13/1-4

MEPC 73/13 (Secretariat): provides an update on the activities of the Integrated Technical Cooperation Programme (ITCP), related to the protection of the marine environment during the period from 1 January to 31 July 2018.

MEPC 73/13/1 (Secretariat): provides an update on activities implemented by the Regional Marine Pollution Emergency Response Centre for the Mediterranean Sea (REMPEC) during the period from 1 January to 30 June 2018.

MEPC 73/13/2 (Secretariat): provides an overview of IMO's ongoing technical assistance and capacity-building activities supporting preparedness, response and cooperation in case of incidents involving oil or HNS pollution, thereby promoting ratification, and strengthening the implementation, of the OPRC 90 Convention and the OPRC-HNS Protocol.

MEPC 73/13/3 (Secretariat): provides an update on the major projects related to the protection of the marine environment during the period from 1 January to 20 July 2018.

MEPC 73/13/4 (Secretariat): provides an update on the work of the "Global Industry Alliance to Support Low Carbon Shipping", established within the framework of the GEF-UNDP-IMO GloMEEP Project.

The Commission would draw EU Member States' attention to MEPC 73/13/3, where the joint EU-IMO Maritime Technology Cooperation Centres project is highlighted.

Agenda item 14 – Capacity-building for the implementation of new measures

Docs: MEPC 73/14

MEPC 73/14 (Vice Chair): provides a preliminary assessment of capacity-building implications of the amendments to mandatory instruments and new outputs related to mandatory instruments approved at MEPC 72, to assist the Committee in its consideration of capacity-building for the implementation of new measures.

Agenda item 15 – Work programme of the Committee and subsidiary bodies

Docs: MEPC 73/15, MEPC 73/15/1-6 MEPC 73/INF.17

MEPC 73/15 (Denmark, Ireland, Singapore and ICS): proposes a new work output for the current biennium agenda of MEPC in relation to the "Efficient identification and enhancement of safety, technical, operational and documentation review and amendment for improvement and consistent implementation of the Ballast Water Management Convention" with a target completion date of 2023.

MEPC 73/15/1 (China): proposes a new output regarding the development of the seafarer model course under the Ballast Water Management Convention.

MEPC 73/15/2 (New Zealand): updates New Zealand's actions to manage vessel biofouling. In May 2014, New Zealand released its Craft Risk Management Standard for Biofouling, which detailed the requirements for how vessel biofouling must be managed. The Standard will be enforced from May 2018.

MEPC 73/15/3 (Republic of Korea): proposes a new output on the current biennium agenda of MEPC to review and discuss the issue regarding application of the BWM Convention to seagoing fishing vessels using brine as a refrigerant with a view to developing a corresponding unified interpretation or guidance, if required.

MEPC 73/15/4 (MSC and MEPC Chairs): contains the MSC and MEPC Chairs' proposals on activities, priorities and meetings of the two Committees and their subsidiary bodies for the 2020-2021 biennium.

MEPC 73/15/5 (Australia, Brazil, Canada, Netherlands, New Zealand, Republic of Korea and IMarEST): comments on the proposals included in document MEPC 73/15 and builds on those proposals, providing alternate text for consideration by the Committee to ensure issues arising during the experience-building phase of the Ballast Water Management Convention can be considered by the Committee in a timely manner.

MEPC 73/15/6 (ICS): provides comments on document MEPC 73/15/1 (China), which proposes a new output to develop a model course under the International Convention for the Control and Management of Ships' Ballast Water and Sediments, 2004 (BWM Convention).

MEPC 73/INF.17 (Republic of Korea): provides information on the characteristics and environmental impact of brine used in seagoing fishing vessels.

Agenda item 18 – Any other business

Docs: MEPC 73/18, MEPC 73/18/1-4, MEPC 73/INF.2, 10, 12, 16, 22-24, 26, and 28.

MEPC 73/18 (IOC of UNESCO): introduces the UN Decade of Ocean Science for Sustainable Development and describes the preparatory phase foreseen for the period 2018-2020. A detailed Roadmap describing the governance arrangements and engagement strategy is provided in the annex.

MEPC 73/18/1 (Iran): the document has been prepared in order to call for higher and more comprehensive attention to the transfer of invasive aquatic species to new ecosystems through means other than ballast water or sticking to the ship hulls, which has not been fully covered by the present conventions and instruments so far approved by the IMO.

MEPC 73/18/2 (Secretariat): provides an update on recent work carried out by the Secretariat, through the Marine Environment Division, in cooperation with other United Nations agencies, on issues relating to the protection of the marine environment.

MEPC 73/18/3 (Norway): contains information on the use of PFOS in firefighting foam on board ships, its effect on the environment, in particular on the fauna and human health, and seeks the Committee's views on the issue in general, and in particular how it may be addressed within the Organization.

MEPC 73/18/4 (Canada and New Zealand): highlights international efforts to address adverse underwater noise and the need for international collaboration to proliferate innovation and knowledge of quiet ship design. The submitting delegations invite interested parties and experts to an international workshop on this topic.

MEPC 73/INF.2 (Secretariat): provides information regarding the status of entry into force of the Hong Kong Convention.

MEPC 73/INF.10 (**EU**): contains additional scientific information and results to support the position that cybutryne can be associated with adverse effects to the environment and has to be included in Annex 1 to the AFS Convention. The extensive literature review presented in this document contains results and risk assessment methodologies that could assist the Technical Group, that will be established to objectively review the merits of the comprehensive proposal that will be submitted after the approval of the recommendations of PPR 5 on this subject by this Committee.

MEPC 73/INF.12 (Iran): presents the results of a case study conducted by the Islamic Republic of Iran, in line with the studies required for the experience-building phase for implementing the provisions regarding ballast water management. The study was focused on considering the status of indigenous and non-indigenous aquatic species capable of sticking to ship hulls and being transferred to new environments.

MEPC 73/INF.16 (Norway): contains the results of a study conducted in order to gain more knowledge on the use of PFOS and other fluorinated surfactants in firefighting foam in the maritime sector.

MEPC 73/INF.22 (HELCOM): provides information on the status of port reception facilities for sewage in the Baltic Sea area. An overview has been compiled by the HELCOM Secretariat based on information received by national Administrations, port authorities and representatives of the cruise and port industries.

MEPC 73/INF.23 (Canada): highlights the scientific support for shipping's contribution to the ocean soundscape and the impact of noise on marine species. Commercial shipping is the largest global contributor of underwater noise to the ocean soundscape, which reinforces the need to ensure that related activities are balanced with the need for oceans to remain healthy and diverse in the long term.

MEPC 73/INF.24 (FOEI): offers an independent report, set forth in the annex, that provides findings and recommendations concerning vessel coatings and the protection of Arctic waters from bio-invasions.

MEPC 73/INF.26 (OSPAR Commission): submitted to provide information on the OSPAR Commission's activities on underwater noise.

MEPC 73/INF.28 (WWF): Shipborne grey water production estimates using 2016 ship traffic data for the Canadian Arctic, as well as projected future estimates for 2025/2035 and treatment system options.

Use of perfluorooctane sulfonic acid (PFOS)

- *EU relevance*

The Ship Recycling Regulation 1257/2013 implements the Hong Kong Convention closely following its structure, concepts and definitions. However, the Ship Recycling Regulation also sets out a number of additional requirements that go beyond those set in the Hong Kong Convention, including two additional Hazardous Materials (PFOS and HBCDD) in its Annexes. In this regard, new installations which use PFOS and its derivatives shall be prohibited in accordance with Regulation (EC) No 850/2004 of the European Parliament and of the Council on persistent organic pollutants. In addition, PFOS must be identified in the Inventories of Hazardous Materials of ships flying an EU flag in accordance with the Ship Recycling Regulation.

- *Developments*

In MEPC 73/18/3, Norway signals its intention to raise the matter of regulating PFOS in the maritime sector as a possible new output to be approved by MSC and for a possible addition in the International Code for Fire Safety Systems (FSS Code) and/or other relevant instruments under the International Convention for the Safety of Life at Sea (SOLAS). However, it seeks the Committee's view on this issue as PFOS is a harmful substance both to human health and to the marine environment.

The Commission would point out that EMSA was active in working to address the technical and operational issues arising from the development of an Inventory of Hazardous Materials in accordance with the Ship Recycling Regulation. EMSA developed and published "Best Practice Guidance on the Inventory of Hazardous Materials", which addresses also PFOS. (http://www.emsa.europa.eu/implementation-tasks/environment/ship-recycling/items.html?cid=150&id=2874)

In addition, EMSA published in November 2017 a study on the two hazardous substances (PFOS and HBCDD) included in the annexes of Regulation (EU) 1257/2013 on ship recycling (http://www.emsa.europa.eu/implementation-tasks/environment/ship-recycling/items.html?cid=150&id=3168)

Both EMSA's documents are referenced in MEPC 73/INF.16 submitted by Norway.

DELETED

Underwater noise

- *Background*

At MEPC 71, Canada made a submission, MEPC 71/16/5, returning to the issue of underwater noise and its effects on marine life and indicating its desire to revisit this issue. **DELETED**

Canada in MEPC 72/16/5 provided further details of its work in this area and announced that it will seek an output on this subject at a later meeting, inviting interested parties to collaborate in drawing up such a submission. **DELETED**

The IMO delegates should also be informed that the EU has developed related guidelines for monitoring underwater noise, as well as a body of knowledge on underwater noise, which could be used by IMO when developing work on the issue further.

- *EU relevance*

Commission Decision (EU) 2017/848 of 17 May 2017 laying down criteria and methodological standards on good environmental status of marine waters and specifications and standardised methods for monitoring and assessment, and repealing Decision 2010/477/EU, having regard to the Directive 2008/56/EC of the European Parliament and of the Council of 17 June 2008 establishing a framework for community action in the field of marine environmental policy (Marine Strategy Framework Directive) sets out criteria and methodological standards to assess the extent to which good environmental status is being achieved. This includes criteria and methodological standards for underwater noise.

Port reception facilities

With reference to MEPC 73/INF.22 submitted by HELCOM on the status of port reception facilities for sewage in the Baltic Sea area, the Commission would point out that Directive 2000/59/EC requires the MS to provide for adequate port reception facilities for ship-generated waste and cargo residues (as defined in accordance with MARPOL Annexes I, IV and V) to receive the waste 'normally delivered by ships', taking into account the size of the ports and their geographic location. The proposal for a new PRF Directive (COM(2018)33) further clarifies the concept of 'adequacy' in line with MARPOL guidance on this issue.

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