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From:	General Secretariat of the Council
To:	Delegations
Subject:	75th session of the IMO Marine Environment Protection Committee (London, 30 March-3 April 2020) - EU coordination

DOCUMENT PARTIALLY ACCESSIBLE TO THE PUBLIC (13.08.2020)

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 Shipping Working Party meetings in Brussels on 6 March, 19 June and 26 June 2020 and subsequent lifting of scrutiny reservations**.[1]

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[1] ~~General scrutiny reservation: BE, CY, DE, DK, EL, ES, FI, FR, LV, MT, NL, PL, SE.~~

ANNEX

NON PAPER

75TH SESSION OF THE
IMO MARINE ENVIRONMENT PROTECTION COMMITTEE
(MEPC 75, 30 MARCH - 03 APRIL 2020)

The annotated agenda is presented to the Council with the view to establishing the EU positions on agenda items for the 75th session of the IMO Marine Environment Protection Committee (MEPC).[2]

This document lists all received documents on issues of EU relevance[3].

The comments by the Commission are printed in *italics*. The proposed position of the Union is printed in ***bold italics*.**

Should Member states wish to express a position on matters not covered by the Union position, in accordance with the principle of loyal cooperation they shall refrain from any measure that may jeopardise the attainment of the Union's objectives.

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2 Member States urge the Commission to use agreed and long-established wording for the EU coordination documents, including the initial paragraphs of IMO coordination non-papers, namely: "Non-restrictive list of items for which EU, common or coordinated positions could be established. This document lists all received documents. 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."

3 Based on documents received up to 24 February 2020.

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.

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 EU positions established earlier remain valid – as far as still applicable – for this MEPC 75 session.

Agenda item 1 – Adoption of the agenda

Docs: MEPC 75/1, MEPC 75/1/1

MEPC 75/1 (Secretariat): provides the provisional agenda of MEPC 75.

MEPC 75/1/1(Secretariat): provides information on the action the Committee will be invited to take in relation to the items on the agenda of MEPC 74. Annotations to the provisional agenda are contained in annex 1 and the provisional timetable for the meeting is set out in annex 2.

In accordance with MEPC 75/1/1, MEPC 74 had decided that the following groups be established:

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.

DELETED

Agenda item 2 – Decisions of other bodies

Docs: MEPC 75/2, MEPC 75/2/1-5

MEPC 75/2 (Secretariat): provides information on the outcome of LEG 106 relevant to the work of the Committee.

MEPC 75/2/1 (Secretariat): provides information on the outcome of FAL 43 relevant to the work of the Committee.

MEPC 75/2/2 (Secretariat): provides the list of actions requested of the Committee emanating from MSC 101.

MEPC 75/2/3 (Secretariat): reports on the outcome of C 122 relevant on matters of interest to the Committee.

MEPC 75/2/4 (Secretariat): reports on the outcome of TC 69 on matters of interest to the Committee.

MEPC 75/2/5 (Secretariat): reports on the outcome of LC 41/LP 14 on matters of interest to the Committee.

Consideration at MEPC 75

The main actions points will be considered by the Committee under the relevant agenda items. **DELETED**

MEPC 74 failed to consider all the agenda items. This resulted in not having enough time to discuss five agenda items: 6 (enhancing energy efficiency), 9 (protection of special areas), 11 (outcome of III 5), 12 (Technical cooperation activities) and 17 (Any other business). The consideration of documents under Agenda items 6, 12 and 17 was postponed to MEPC 75 while III 5 report and action points were taken as read and III 6 asked to move forward on the basis of decisions taken at MSC 101. **DELETED**

Resolutions A.739(18) and A.789(19)

As noted above, this issue was not considered by MEPC 74 but referred for a decision by MSC 101, which recommended to Assembly that that references to resolutions A.739(18) and/or A.789(19) in existing IMO instruments be replaced with references to the RO Code, and resolutions A.739(18) and A.789(19) be revoked. However, Assembly 31 decided that the resolutions should be revoked at a future session of the Assembly, subject to the concurrence of MEPC.

In accordance with MEPC 75/2/2, MEPC 75 is requested to concur with the decision of MSC 101 that references to resolutions A.739(18)) and A.789(19)) in existing IMO instruments should be replaced with references to the mandatory parts of the RO Code and that the above resolutions should be revoked by the Assembly.

DELETED

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

Docs: MEPC 75/3, MEPC 75/3/1-3

MEPC 75/3 (Secretariat): the Committee is invited to consider, with a view to adoption, proposed amendments to MARPOL Annex VI concerning procedures for sampling and verification of the sulphur content of fuel oil and the Energy Efficiency Design Index (EEDI).

MEPC 75/3/1 (Secretariat): the Committee is invited to consider, with a view to adoption, proposed amendments to the Ballast Water Management Convention (BWM Convention) regarding commissioning testing of ballast water management systems and the form of the International Ballast Water Management Certificate.

MEPC 75/3/2 (Japan): proposes to modify the draft amendments to regulations 2 and 14 of MARPOL Annex VI set out in Circular Letter No.3984.

MEPC 75/3/3 (Republic of Korea): comments on the draft revised regulation 21 of MARPOL Annex VI regarding the change of the EEDI Reference Line of Bulk Carriers.

MEPC 75/3/4 (IACS): proposes modifications to the draft new regulation 20.3 of MARPOL Annex VI. The modifications address the need to avoid the creation of a new administrative burden; further, the document discusses the practicalities identified by recognized organizations (ROs) when submitting data to the IMO EEDI database.

EU relevance

a. *Implementation of the 0.50% sulphur limit in marine fuels (Regulations 1, 2, 14, 18, and appendices I and VI)*

The Union has competence on the matter[7]

The position of the Union was established by Council Decision (EU) 2020/721 adopted under Article 218(9) TFEU[8] *on 19 May 2020.*

Additional amendments were proposed in document MEPC 75/3/2 (Japan) as regards regulations 2 and 14 of MARPOL Annex VI, The amendments seem to be motivated by apparent inconsistencies between the terms in new paragraph 8 of the draft amendment to regulation 14 and the draft amendments to regulation 2 and the Appendix VI. However, the draft amendments to MARPOL Annex VI contained in the Annex of MEPC 75/3 (Secretariat) do not present such inconsistencies. In addition, the editorial modifications proposed by Japan to the new paragraph 11 of regulation 14 on the application of designated sampling points do not add substantial clarity to the original text and incorporate language, which may not be appropriate for regulatory text.

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[7] Member States take note of the explanation by the Commission that each time the expression "the Union has competence on the matter" is used in this document it might refer to exclusive or shared competence.

[8] OJ L 171, 2.6.2020, p. 1.

b. Energy Efficiency Design Index (EEDI) (Regulations 20 and 21)

The Union has competence on the matter.

EEDI is linked to Regulation (EU) 2015/757 on the monitoring, reporting and verification of CO_2 emissions from maritime transport, as it is one of the parameters to be reported and published on a per-ship basis. In addition, in the EU there is a clear commitment to reduce GHG emissions, including emissions by shipping. Improving the energy efficiency and carbon intensity of new built ships by strengthening the EEDI is a strong enabling factor to meet the long-term agreed objectives. Commission Communications "A Clean Planet for all - A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy" COM (2018) 773 and The European Green Deal COM(2019) 640 also highlights the key role of energy efficiency improvements, in combination with the use of alternative fuels, to reduce GHG emissions, including from shipping, by 2050.

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 of the Correspondence Group 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.

The Correspondence Group interim report submitted at MEPC 73 showed a low level of ambition. It recommended retaining 2025 as the starting year of EEDI phase 3 for all ships except for container ships, for which it suggested to start phase 3 in 2022. In addition, it recommended retaining a 30% reduction rate for all ship types in phase 3 and proposed options to review the EEDI reference lines for large bulk carriers and large tankers.

At MEPC 73, the Committee decided not to approve the draft amendments to Regulation 21 of MARPOL Annex VI proposed by the Working Group on Air Pollution and Energy Efficiency on EEDI phase 3 requirements (MEPC 73/WP.7, annex 3). As a follow-up, the Committee invited the Correspondence Group to give further consideration to the matter and asked for concrete proposals to MEPC 74, with a view to approval at that session. It should be noted that at MEPC 73, bulkers and tankers were not in the scope of the last Working Group on Air Pollution and Energy Efficiency as the Committee was in favour of keeping EEDI phase 3 as it stands for these ship categories.

Following long discussions, MEPC 74 agreed a more ambitious implementation programme. The Committee expressed itself in favour of amendments to regulation 20 on the mandatory reporting of attained EEDI as well as amendments to regulation 21 to strengthen the EEDI by advancing the starting year of EEDI phase 3 to 2022. These amendments are due to be adopted at MEPC 75. The Committee also approved draft amendments to the 2018 Guidelines on the Method of Calculation of the Attained Energy Efficiency Design Index (EEDI) for new ships (resolution MEPC.308 (73)).

DELETED

However, the Chair of the working group dismissed any discussion on the rates at MEPC 74, arguing that no counter-proposal had been submitted to IMO in writing. **DELETED**

Consideration at MEPC 75

Additional amendments were proposed in documents MEPC 75/3/3 (Republic of Korea) as regards regulation 21 of MARPOL Annex VI regarding the change of the EEDI Reference Line of Bulk Carriers.

DELETED

DELETED

Agenda item 5 – Air pollution prevention

Docs: MEPC 75/5, MEPC 75/5/1-7, MEPC 75/INF.4, MEPC 75/INF.9-10, MEPC 75/INF.13, MEPC 75/INF.27

MEPC 75/5 (Secretariat): contains recommendations to improve reporting under MARPOL Annex VI based on a report prepared by the Secretariat that gives a preliminary overview of data on fuel oil quality and availability currently available in the MARPOL Annex VI module in GISIS, as set out in document MEPC 75/INF.9.

MEPC 75/5/1 (Secretariat): contains the report of the Correspondence Group on Data Collection and Analysis under regulation 18 of MARPOL Annex VI.

MEPC 75/5/2 (ICS, BIMCO, INTERTANKO and WSC): based on the decision taken by MEPC 74, this document encourages all Parties to implement and enforce licensing schemes for bunker suppliers operating in their jurisdiction and proposes an indicative example of a voluntary licensing scheme for bunker suppliers to help ensure the quality and compliance of fuel oil to be annexed to the Guidance for best practice for Member State/coastal State (MEPC.1/Circ.884).

MEPC 75/5/3 (Republic of Korea): proposes an amendment to the Guidance on indication of ongoing compliance in the case of the failure of a single monitoring instrument, and recommended actions to take if the Exhaust Gas Cleaning System (EGCS) fails to meet the provisions of the 2015 EGCS Guidelines (resolution MEPC.259(68)) (MEPC.1/Circ.883), and recommended actions to allow the tentative use of non-compliant fuel oil when the exhaust gas cleaning system (EGCS) fails to meet the provisions of the 2015 EGCS Guidelines.

MEPC 75/5/4 (FOEI, WWF, Pacific Environment and CSC): discusses the implications for the Arctic of a recent study indicating that blended low sulphur residual fuels that have been developed to meet the IMO 2020 sulphur limit requirement will result in a significant increase in Black Carbon emissions, and calls on IMO to mandate an urgent switch to distillates for ships operating in the Arctic to avoid a sharp rise in emissions of short-lived climate forcers in this vulnerable area.

MEPC 75/5/5 (FOEI, WWF, Pacific Environment and CSC): responds to a recent study showing that new blended low sulphur residual fuels designed to meet the IMO 2020 mandated 0.50% global sulphur limit will result in very significant increases in ships' Black Carbon emissions, reflects on the implications of this for shipping's contribution to the climate crisis and calls on IMO to regulate to stop their use.

MEPC 75/5/6 (ICS): comments on documents MEPC 75/5/4 and MEPC 75/5/5 and recommends to the Committee that a proposed prohibition on the use of low sulphur fuel oils not be supported. Such a prohibition cannot be supported based on available data or analysis. It is recommended that the Committee should instead support the ongoing work of the PPR Sub-Committee and in addition request that ISO consider the aromatic content of marine fuel oils and Estimated Cetane Number (ECN) of marine fuel oils when reviewing the international standard for such fuels, ISO 8217.

MEPC 75/5/7 (IPIECA and IBIA): responds to claims that Very Low Sulphur Fuel Oils (VLSFOs) introduced to the market to meet the 0.50% sulphur limit of regulation 14 of MARPOL Annex VI would generally be of a highly aromatic nature and could lead to an increase in Black Carbon emissions. This submission documents that these claims are based on flawed assumptions about the nature of the fuels that were expected to come on the market and that, contrary to the claims made, early data suggests that VLSFOs on average are more paraffinic in nature than the High Sulphur Fuel Oils (HSFOs) they have replaced.

MEPC 75/INF.4 (Secretariat): contains the comments received from the Correspondence Group on Data Collection and Analysis under regulation 18 of MARPOL Annex VI.

MEPC 75/INF.9 (Secretariat): the annex to this document contains a report prepared by the Secretariat that gives a preliminary overview of data on fuel oil quality and availability currently available in the MARPOL Annex VI module in GISIS, based on data exported from GISIS for analysis on 31 October 2019.

MEPC 75/INF.10 (Sweden): presents a comprehensive study conducted by the Swedish Environmental Research Institute (IVL), containing a risk assessment of discharge water from exhaust gas cleaning systems (EGCS). The study is part of the EU-funded project "Scrubbers: Closing the loop" and consists of several reports describing a number of various activities conducted during the project, including cost benefit analysis of different alternatives and air emission measurements. The results of the investigation, including toxicity tests of discharge water and its environmental impact assessment, show that there is a risk that discharge water from EGCS will have serious consequences for the marine ecosystem. The purpose of this document is to provide input to the IMO decision-making process.

MEPC 75/INF.13 (Greece): summarizes the key findings of the bulk of a bigger study on options to meet 2020 fuel sulphur regulations. This study was carried out by a team of researchers affiliated with the Massachusetts Institute of Technology (MIT), the United States. The bulk of the study (Part B-Sections 1 and 2) was devoted to assessing the environmental impact of Exhaust Gas Cleaning Systems (EGCS), also known as scrubbers, effluent discharges by modelling pollutant dispersion. The key findings are summarized in paragraphs 7 and 8 of this document. The relevant Part of the study is included in the annex to this document.

MEPC 75/INF.27 (ICOMIA): provides an update on the implementation of the Tier III NO_x emissions regulations for large yachts greater than 24 m load-line length and less than 500 gross tonnes, taking into account the difficulties faced by the sector and the concerns raised by interested parties at MEPC 74.

a) Sulphur

EU relevance

The Union has competence on the matter.

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).

i. Implementation of regulation 18 of MARPOL Annex VI

Background

MEPC 73 invited proposals on how to enhance the implementation of regulation 18 of MARPOL Annex VI, in particular on fuel oil quality and reporting of non-availability of compliant fuel oils, including the enhancement of the GISIS MARPOL Annex VI module to support data collection and analysis. In view of this invitation, the EU submitted MEPC 74/5/18 setting out concrete proposals on data collection, including the enhancement of the GISIS MARPOL Annex VI module.

MEPC 74 instructed the Secretariat to update the existing tabs for regulations 18.1, 18.2.5 and 18.9.6 in the MARPOL Annex VI GISIS module, including:

.1 updating the types of fuels and sulphur contents listed;
.2 allowing for multiple ports to be entered in a single entry;
.3 allowing searching by port or compliant fuel;
.4 aligning with the format of the FONAR;
.5 adding checkboxes on fuel oil quality; and
.6 improving the selection of regulations.

MEPC 74 also established a Correspondence Group on Data Collection and Analysis under regulation 18 of MARPOL Annex VI, to be coordinated by the Secretariat, to investigate the reporting of additional items on GISIS as proposed in documents MEPC 74/5/18, MEPC 74/5/20 and MEPC 74/10/4 and any other possible usability improvements.

Finally, MEPC 74 instructed the Secretariat to report to MEPC 75 with a preliminary overview of data on fuel oil quality and availability currently available in GISIS as well as to give an overview of the current use of GISIS with respect to obligations under regulations 14 and 18 of MARPOL Annex VI.

Consideration at MEPC 75

In MEPEC 75/5, the Secretariat reports on the improvements that it implemented in GISIS MARPOL Annex VI module. In this document the Secretariat also recommends additional improvements based on the preliminary overview of data on fuel oil quality and availability currently available in GISIS, provided in document MEPC 75/INF.9 (based on data up to 31 October 2019). The Secretariat notes that only a small number of countries are reporting the required data in compliance with MARPOL obligations. The EU Member States were among the most reporting countries.

The Correspondence Group on Data Collection and Analysis under regulation 18 of MARPOL Annex VI in MEPC 75/5/1 also made a number of recommendations on how to improve the GISIS MARPOL Annex VI module. **DELETED**

ii. Bunker Supplier Licensing Schemes

Background

MEPC 73 having noted the discussions of the Intersessional Meeting on Consistent Implementation of Regulation 14.1.3 of MARPOL Annex VI (MEPC 73/ISWG-AP 1), invited MSC to consider the outcome of the intersessional meeting concerning the potential safety implications associated with the use of low sulphur fuel and invited concrete proposals to address remaining concerns expressed as to the quality of fuels to be supplied to ships. At MSC 100, document MSC 100/8/1 (Liberia et al.) included some concrete proposals such as replacing the requirement to maintain a register of bunker suppliers with a requirement that parties to MARPOL Annex VI should establish bunker supplier licensing schemes.

MEPC 74 considered document MEPC 74/5/4 (ICS et al.) that proposed a new requirement in MARPOL Annex VI to establish bunker licensing schemes for global implementation and provided a template for such a scheme based on existing IMO instruments and guidelines. The Committee had decided to refer this document to a working group to see if it could be added to the Guidance on best practice. However, the working group only recommended that the proposed example of a bunker supply licence should be referred to either PPR 7 or MEPC 75. The Committee, while endorsing this recommendation, did not take a final decision.

DELETED

Consideration at MEPC 75

In MEPC 75/5/2, ICS et al. again provide the draft template which countries could use to establish bunker licensing schemes. The co-sponsors recommend that this template should be included as an example in the Guidance for best practice for Member State/coastal State (MEPC.1/Circ.884). **DELETED**

The Republic of Korea (MEPC 75/5/3) comes back to the long debate on the type of fuel that ships can use when the EGCS malfunctions. According to the Guidance on indication of ongoing compliance in the case of the failure of a single monitoring instrument, and recommended actions to take if the Exhaust Gas Cleaning System (EGCS) fails to meet the provisions of the 2015 EGCS Guidelines (resolution MEPC.259(68)) (MEPC.1/Circ.883) require the ship to use compliant fuel. The Republic of Korea proposes that the Guidance be amended to allow the ship to use non-compliant fuel oil until the consultation between ship operators and the relevant Administration is completed. **DELETED**

Note: the issue of EGCS Guidelines is addressed under agenda item 10.

b) Black Carbon

EU relevance

Black Carbon is of great relevance for the EU in view of the on-going developments of the EU's air quality policy and the interlinkages to the EU climate change policy. EU legislation addresses Black Carbon in Directive 2008/50/EC of the European Parliament and of the Council on ambient air quality and cleaner air for Europe by setting binding air quality standard requirements on particulate matter: PM10 and PM2.5. In addition, the 1999 Gothenburg Protocol to the 1979 Geneva Convention on Long-Range Transboundary Air Pollution (CLRTAP) to which the EU is a Party, as amended in 2012, explicitly includes obligations to reduce black carbon in the context of achieving binding emission targets for particulate matter (PM2.5). Directive (EU) 2016/2284 on the reduction of national emissions of certain atmospheric pollutants, amending Directive 2003/35/EC and repealing Directive 2001/81/EC) sets national reduction commitments for total PM2.5 emissions for Member States to be attained by 2020 and 2030 and transposes the Protocol's reporting requirements, stressing that in the National Air Pollution Control Programmes, Member States shall prioritise emission reduction measures for black carbon. Data on emissions of black carbon shall be reported where available as part of the emission inventories. Although the Directive excludes PM emissions from international maritime shipping, Article 15 invites the Commission and the Member States to pursue multilateral cooperation with international organisations, including the IMO, to promote the achievement of future reductions of PM emissions from maritime transport, which will contribute to a decrease of long-range transboundary air pollution affecting background concentrations of air pollution in the EU.

The joint Communication by the Commission and the High Representative of the Union for Foreign Affairs and Security Policy (JOIN(2016)21 final) on An Integrated European Policy for the Arctic of April 2016 outlines that the EU should contribute to international efforts to limit emissions of short-lived climate pollutants such as black carbon and methane that further accelerate climatic changes in the Arctic.

DELETED. *The project aims to analyse and map the main sources of black carbon affecting the Arctic, and to move forward a process leading to enhanced international cooperation on black carbon policy in the Arctic region. The project also aims to initiate a process of setting clear commitments and/or targets on major black carbon sources with the potential to affect the Arctic, and to move forward a process leading to enhanced international cooperation on black carbon policy in the Arctic region. The project's main focus of action is to address black carbon emissions from gas flaring and from domestic heating. However, black carbon emissions from international shipping are also addressed in the project.*

The UN's Climate and Clean Air Coalition Framework (CCAC) also addresses black carbon emissions as short-lived climate pollutants (and those of other pollutants), including in the Arctic. The 8th High Level Assembly of the CCAC, which took place in Marrakech during the COP22 in November 2016, endorsed the Coalition's Global Strategy to Introduce Low Sulphur Fuels and Cleaner Diesel Vehicles and recognized the importance of further refining black carbon inventories and projections.

It is therefore evident that the matter falls within EU competence in this particular field, and there is a clear EU interest in supporting the reduction of black carbon from international shipping.

DELETED

Background

MEPC 67, having considered the outcome of PPR 1 regarding the impact on the Arctic of emissions of Black Carbon from international shipping, had instructed PPR 2 to further consider the matter and to recommend a definition of Black Carbon. The definition of Black Carbon (Bond et al. definition) for international shipping was agreed at MEPC 68 and the next step focused on gaining experience with the application of the definition and measurement methods. IMO Member States and observers subsequently initiated, on a voluntary basis, black carbon measurement methods to collect data and to develop relevant measurement protocols to enable a comparison.

Based on a proposal by Germany and EUROMOT (PPR 3/8), PPR 3 agreed to the use of a draft Black Carbon Measurement Reporting Protocol as set out in annex 1 to document PPR 3/WP.4 and invited interested Member Governments and international organizations to submit data derived from its application to PPR 4. A number of submissions were made to PPR 4 providing the results of data collection and research using differing methods. The work on the reporting protocol for voluntary measurement studies to collect Black Carbon data (measurement reporting protocol) was continued and finalised at PPR 5. PPR 5 also identified three methods as being the most appropriate for additional follow-up work on potential control measures. A Correspondence Group under the coordination of Canada was established to start the work on investigation of appropriate control measures to reduce the impact on the Arctic of Black Carbon emissions from international shipping and to report to PPR 6.

PPR 6 completed its work on identifying the list of control measures and therefore recommended that the MEPC 74 should note the list of control measures and should consider what further steps were required to implement them. Further work was required to categorise and prioritize the control measures, to identify which measures would lead to a high reduction of black carbon, and to determine what would be the time frame for their implementation.

MEPC 74 approved, in principle, the draft terms of reference on reducing the impact on the Arctic of Black Carbon emissions from international shipping (as contained in document MEPC 74/10/8 (Finland et al.)) for further consideration by PPR 7, and with a view to advising the Committee accordingly. It noted that the required action could include non-mandatory instruments such as guidance. Therefore, MEPC 74 invited concrete proposals from Member Governments and international organizations on how to control Black Carbon emissions to reduce the impact on the Arctic of Black Carbon emissions from international shipping and how to develop a standardized sampling, conditioning and measurement protocol for Black Carbon emissions from international shipping.

In line with the adopted terms of reference, the four documents submitted to PPR 7 deal with further consideration of the recommended Black Carbon measurement methods identified at PPR 5 as the most appropriate for measuring marine Black Carbon (BC) emissions, namely Filter Smoke Number (FSN), Photoacoustic Spectroscopy (PAS) and Laser Induced Incandescence (LII). Finland and Germany noted in PPR 7/8 that the results of a measurement campaign indicate that new blends of marine fuels with 0.50% sulphur content can contain a large percentage of aromatic compounds which emit higher concentrations of BC. The co-sponsors proposed that ISO should review ISO 8217 petroleum standard to take into consideration the results of their study in order to achieve a better qualification of marine fuels with respect to their environmental performance in terms of BC emissions. A similar conclusion was reached by EUROMOT in PPR 7/8/1, which also recommended that besides aromatic content, the Estimated Cetane Number (ECN) of marine fuels should also be considered and ISO should include these parameters when deriving the final marine fuel standard from the public available standard ISO/PAS 23263:2019.

DELETED

Consideration at MEPC 75

MEPC 75/5/4 (FOEI, WWF, Pacific Environment and CSC) discusses the implications for the Arctic of a recent study indicating that blended 0.50% sulphur residual fuels will result in an increase in Black Carbon emissions, and calls for an urgent switch to distillates for ships operating in the Arctic.

MEPC 75/5/5 (FOEI et al.) responds to a recent study outlined in document PPR 7/8 (Finland and Germany) which was extensively discussed at PPR 7. In both documents the co-sponsors reiterate issues already submitted to PPR 7 in documents PPR 7/8 and 7/8/1.

DELETED

Agenda item 6 – Energy efficiency of ships

Docs: MEPC 75/6, MEPC 75/6/1-13, MEPC 75/INF.3, MEPC 75/INF.8

MEPC 75/6 (Secretariat): contains matters to be further considered as requested by MEPC 74 and a list of documents that were deferred to this session. The Committee is invited to consider these matters and documents under this agenda item.

MEPC 75/6/1 (Secretariat): contains draft amendments to the 2018 Guidelines on the method of calculation of the attained Energy Efficiency Design Index (EEDI) for new ships.

MEPC 75/6/2 (United States): investigates the concept of an overridable engine power limit as a strategy to improve ship energy efficiency and describes a more appropriate way to incorporate this strategy, if allowed, in the EEDI calculation methodology. Specifically, the United States proposes an improved approach (EngPoLi) for calculating PME, to include an overridable power limit. EngPoLi is based on the same methodology used to develop the EEDI equations.

MEPC 75/6/3 (ICS and RINA): provides data and analysis of minimum powering levels at a range of weather conditions and advance speeds if applying the level 2 simplified assessment method. The data and analysis demonstrates that the simplified assessment method is very sensitive to the weather conditions and advance speed used for the assessment and that it cannot be assumed that the simplified assessment method will reduce the required level of power below that required by the level 1 minimum power lines. This document provides proposals to finalize this important work.

MEPC 75/6/4 (INTERTANKO): is in response to the ongoing activity on EEDI review beyond Phase 2. It provides information on a study assessing options VLCCs may have to meet the EEDI Phase 3 required values using traditional design techniques. The study could not find solutions to challenges assessed in this document. Since the main difficulty in achieving EEDI Phase 3 levels rests with the initial definition of the EEDI baseline for tankers, the document indicates that VLCCs may fall out of use in favour of smaller tankers. The Committee is invited to note the inherent consequences which may eliminate the VLCC design which is the most fuel and energy efficient ship type ever built.

MEPC 75/6/5 (Japan): provides the interim report of the Correspondence Group on Possible Introduction of EEDI Phase 4 established at MEPC 74.

MEPC 75/6/6 (France, Germany and Spain): describes the latest developments and updates on the Shaft/Engine Power Limitation concept. The purpose is to overcome potential conflicts between EEDI requirements and safety issues regarding minimum required propulsion power.

MEPC 75/6/7 (IACS): proposes an update to MEPC.1/Circ.795/Rev.4 to clarify the "1 January 2022" application date in relation to the draft EEDI Phase 3 requirements that were approved at MEPC 74.

MEPC 75/6/8 (Germany, Japan, Norway and Spain): addresses the concerns raised at MEPC 74 about the concept of shaft / engine power limitation and encourages the Committee to make progress on the consideration of shaft / engine power limitation for energy efficiency improvement of ships without undermining safety aspects.

MEPC 75/6/9 (INTERFERRY): as experienced during the development and application of the EEDI requirements, the diversity of the ro-ro cargo and ro-ro passenger ship fleets presents challenges in approaching energy efficiency by fleet average performance. This document argues that requiring existing ro-ro type ships to match the perceived performance of new designs needs to be carefully considered; that the metrics used as proxy for transport work should be revisited and that a period of data gathering and experience gaining should precede an entry into force of compulsory efficiency requirements.

MEPC 75/6/10 (IMPA): supports document MEPC 75/6/3 and further expresses the extreme concerns of maritime pilots that efforts to minimise air pollution and improve engine efficiency are having severe unintended consequences upon the safety and efficiency of vessels whilst manoeuvring under pilotage in confined waters. This document serves to inform Member States and others of the concerns of maritime pilots.

MEPC 75/6/11 (IACS): proposes modifications to the draft amendments to the 2018 Guidelines on the method of calculation of the attained Energy Efficiency Design Index (EEDI) for new ships (resolution MEPC.308(73)).

MEPC 75/6/12 (Japan): provides specific comments on the arguments regarding the draft revised 2013 Guidelines for determining minimum propulsion power to maintain the manoeuvrability of ships in adverse conditions described in document MEPC 75/6/3 (ICS and RINA).

MEPC 75/6/13 (Japan): provides comments on document MEPC 75/6/3 concerning the draft revised Guidelines for determining minimum propulsion power to maintain the manoeuvrability of ships in adverse conditions (MEPC 71/INF.28), and proposes a way forward to finalize the work on this issue, along with supporting information to justify the proposal.

MEPC 75/INF.3+Corr.1 (Secretariat): provides the eighth summary of data and graphical representations of the information in the EEDI database.

MEPC 75/INF.8 (Japan): provides comments received during the work of the Correspondence Group on Possible Introduction of EEDI Phase 4 established at MEPC 74.

1. EEDI

EU relevance

The Union has competence on the matter.

Without recalling all the acts within the EU it is evident that there is a clear commitment by the EU to reduce GHG emissions, including emissions by shipping. Improving the energy efficiency and carbon intensity of new built ships by strengthening the EEDI is a strong enabling factor to meet the long-term agreed objectives. The recent EU long-term strategy for a carbon neutral Europe by 2050 also highlights the key role of energy efficiency improvements in combination with the use of alternative fuels to reduce GHG emissions from shipping by 2050.

In addition, the Energy Efficiency Design Index (EEDI) is linked to Regulation (EU) 2015/757 on the monitoring, reporting and verification of CO_2 emissions from maritime transport, as it is one of the parameters to be reported and published on a per-ship basis.

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 of the Correspondence Group 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 decided 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.

The Correspondence Group interim report submitted at MEPC 73 showed a low level of ambition. It recommended retaining 2025 as the starting year of EEDI phase 3 for all ships except for container ships, for which it suggested to start phase 3 in 2022. In addition, it recommended retaining a 30% reduction rate for all ship types in phase 3 and proposed options to review the EEDI reference lines for large bulk carriers and large tankers.

At MEPC 73, the Committee decided not to approve the draft amendments to Regulation 21 of MARPOL Annex VI proposed by the Working Group on Air Pollution and Energy Efficiency on EEDI phase 3 requirements (MEPC 73/WP.7, annex 3). As a follow-up, the Committee invited the Correspondence Group to give further consideration to the matter and asked for concrete proposals to MEPC 74, with a view to approval at that session. It should be noted that at MEPC 73, bulkers and tankers were not in the scope of the last Working Group on Air Pollution and Energy Efficiency as the Committee was in favour of keeping EEDI phase 3 as it stands for these ship categories. In addition, following an oral intervention from WSC in favour of a graduated approach to the reduction rate for container ships based on tonnage, following on-the-spot coordination, it was accepted that the EU will consider such an approach following a brief on-the-spot coordination.

As noted under Agenda item 3, MEPC 74 finalised draft amendments to regulation 20 on the mandatory reporting of attained EEDI as well as amendments to regulation 21 to strengthen the EEDI by advancing the starting year of EEDI phase 3 to 2022. These amendments are due to be adopted at this session. The Committee also approved draft amendments to the 2018 Guidelines on the Method of Calculation of the Attained Energy Efficiency Design Index (EEDI) for new ships (resolution MEPC.308 (73)) but deferred the adoption of paragraphs 4 and 5 to MEPC 75 to coincide with the adoption of the draft revised regulation 20.3 of MARPOL Annex VI.

<u>Consideration at MEPC 75</u>

It should be recalled that MEPC 74 was unable to address agenda item 6 and postponed discussion of the issues until MEPC 75. **DELETED**

<u>EEDI and engine power limitation</u>

It should be recalled that it was decided at MEPC 69 that the issue of minimum propulsion power to maintain manoeuvrability of ships in adverse conditions would be considered separately from the EEDI process.

In view of the decision of MEPC 74 to defer the adoption of paragraphs 4 and 5 of the draft amendments to resolution MEPC.308(73), as amended by resolution MEPC.322(74)), to this session the Secretariat (MEPC 75/6/1) provides the full text of the draft amendments. The United States (MEPC 75/6/2) proposes an amendment to this resolution to introduce a methodology for calculating the value of the main engine power (PME) in the EEDI equation if one or more main engines are equipped with an engine power limitation that may be overridden by the ship operator for safety reasons. In addition, in MEPC 75/6/6, FR et al argue that applying the shaft power limitation concept would necessitate adaptations/changes to guidelines, certificates and regulations and even propose the development of dedicated "Shaft/Engine Power Limitation Guidelines". RINA and ICS in MEPC 75/6/3 point out the difficulties in using the simplified assessment method for minimum power levels and make proposals to finalise this issue. INTERTANKO highlights its study in MEPC 75/6/4, which finds that there will be adverse consequences for VLCC if the EEDI Phase 3 is implemented, leading to a growth in smaller tankers and a loss of economy of scale and energy efficiency. Finally Germany et al distinguish between minimum power requirements and shaft /power limitation concept advocating that MEPC make progress by focussing on the latter.

DELETED

EEDI Phase 4

In MEPC 75/6/5 and MEPC 75/INF.8, Japan provides the report of the Correspondence Group on Possible Introduction of EEDI Phase 4 established at MEPC 74. Besides noting the progress of the CG, the Committee is invited to consider whether the Group should streamline its work with a view to avoiding duplication of works between ISWG-GHG and the Group especially in terms of the evaluation of GHG reduction potentials of alternative fuels and give instructions, as appropriate.

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Agenda item 7 – Reduction of GHG emissions from ships

Seventh Meeting of the Intersessional Working Group on Reduction of GHG emissions from ships (ISWG-GHG 7) submissions

Docs: refer to Appendix 2

MEPC 75 submissions

Docs: MEPC 75/7, MEPC 75/7/1-14, MEPC 75/INF.5, MEPC 75/INF.22, MEPC 75/INF.24-26

MEPC 75/7 (Secretariat): provides information on the establishment and operation of the GHG TC-Trust Fund, a voluntary multi-donor trust fund to sustain the Organization's technical cooperation and capacity-building activities to support the implementation of the Initial IMO Strategy on reduction of GHG emissions from ships.

MEPC 75/7/1 (Secretariat): reports on the outcome of the United Nations Climate Action Summit held on 23 September 2019 in New York, United States.

MEPC 75/7/2 (ISWG-GHG 6): report of the sixth meeting of the Intersessional Working Group on Reduction of GHG Emissions from Ships (ISWG-GHG 6).

MEPC 75/7/3 (Secretariat): provides an update on the preparation of the Fourth IMO GHG Study expected to be approved by MEPC 76.

MEPC 75/7/3/Add.1 (Secretariat): provides information on the outcome of the second meeting of the Steering Committee for the Fourth IMO GHG Study, held on 6 February 2020.

MEPC 75/7/4 (ICS, BIMCO, CLIA, INTERCARGO, INTERFERRY, INTERTANKO, IPTA, and WSC): proposes the establishment of an IMO GHG reduction research and development programme to accelerate the introduction of low-carbon and zero-carbon technologies and fuels as identified in paragraph 4.7.9 of the IMO Initial Strategy on the Reduction of GHG Emissions from Ships. The proposed action is considered critical to achieving the levels of ambition for 2050 and beyond set forth in the IMO Initial GHG Strategy. The co-sponsors propose that core funding would be provided via a mandatory R&D contribution per tonne of fuel oil purchased for consumption, which will be necessary to maintain an appropriate level of funding and to maintain fair competition between shipping companies. The co-sponsors propose that core funding of approximately five billion US dollars over the life of the programme would fundamentally alter the current level of investment in maritime R&D focused on the development of low-carbon and zero-carbon technologies. An effort of this scale is expected to be successful in identifying one or more technical pathways that can lead to the introduction of zero-emission ships across the maritime sector by 2030 and beyond.

MEPC 75/7/5 (Indonesia): provides comments on document MEPC 75/7 and on the concept of blended finance to support the establishment and operation of the GHG-TC Trust Fund, and provides information regarding the application of blended finance in Indonesia and its best practices.

MEPC 75/7/6 (Secretariat): reports on the outcome of the United Nations Climate Change

Conference held in Madrid, Spain, in December 2019 (COP 25).

MEPC 75/7/8 (IPTA): provides comments on operational issues in the chemical tanker industry that affect fuel consumption.

MEPC 75/7/9 (Pacific Environment and CSC): assesses the potential for engine power limitation (EPL) to reduce CO_2 emissions from the existing fleet, based on the results of a new study by the International Council on Clean Transportation. The co-sponsors conclude that EPL as currently envisaged is not fit for purpose as a short-term measure to reduce the carbon intensity of international shipping and that other measures, including mandatory speed reduction and directly limiting the operational carbon intensity of ships, would be more effective and appropriate.

MEPC 75/7/10 (FOEI, Greenpeace International, WWF, Pacific Environment and CSC): contains a proposal to include all greenhouse gases emitted from ships in future phases of the Energy Efficiency Design Index, beginning with Phase 4.

MEPC 75/7/11 (the Netherlands): welcomes the proposal to establish an International Maritime Research and Development Board (IMRB). The IMRB can provide a useful impetus to the development of low-carbon and zero-carbon technologies on board ships, which is much needed in the light of the challenge posed by climate policy.

(*) MEPC 75/7/12 (Vanuatu): comments on document MEPC 75/7/4 (ICS et. al) and supports in principle the course of actions proposed but suggests that the core funding would be provided via a mandatory R&D contribution based on gross tonnage with a small fraction dedicated to the GHG-TC Trust Fund as a means of ensuring the global effectiveness of this industry-led initiative. It also suggests that the International Maritime Research and Development Board (IMRB) would form an integral part of the Organization.

MEPC 75/7/13 (Solomon Islands and Tonga): comments on the proposal in document MEPC 75/7/4 to establish an International Maritime Research and Development Board and associated compulsory fuel levy to resource R&D from the perspective of Pacific Small Island Developing States (SIDS).

MEPC 75/7/14 (OECD): provides considerations on the establishment of an International Maritime Research and Development Board, in particular with regard to clarity of objectives, conditionality and level playing field. This overview is based on the study Maritime Subsidies: Do They Provide Value for Money? (2019) of the International Transport Forum at the OECD.

MEPC 75/INF.5 (ICS, BIMCO, INTERTANKO, CLIA, INTERCARGO, IPTA, INTERFERRY and WSC): In document MEPC 75/7/4, the co-sponsors propose the establishment of an International Maritime Research and Development Board (IMRB) to accelerate the introduction of low-carbon and zero-carbon technologies and fuels. The co-sponsors estimate that roughly five billion USD in core funding is needed over the life of the IMRB to fund the necessary research and development work supported by IMRB. The five billion USD figure is based on a preliminary analysis of what research and development work activities could be undertaken at this level of funding. A copy of this preliminary analysis is attached for the information of the Committee.

MEPC 75/INF.22 (Secretariat): informs the Committee of the recently finalized Just In Time Arrival Guide that has been developed by the Global Industry Alliance to Support Low Carbon Shipping (GIA) established under the framework of the GEF-UNDP-IMO GloMEEP Project.

MEPC 75/INF.24 (Pacific Environment and CSC): summarizes the key findings of a new study by the International Council on Clean Transportation on the effectiveness of engine power limitation (EPL) as a measure to reduce CO_2 emissions from existing ships.

MEPC 75/INF.25 (FOEI, Greenpeace International, WWF, Pacific Environment and CSC): summarizes the key findings of a new study by the International Council on Clean Transportation entitled "The climate implications of using LNG as a marine fuel".

MEPC 75/INF.26 (Comoros): the decarbonization of shipping is the defining issue of the coming decade; however, currently, one of the leading decarbonization technologies, direct wind propulsion, is receiving only very limited consideration in this critical debate over the future of shipping. Direct thrust from wind propulsion technologies offers a technically and commercially viable near-term solution that can already save 5% to 20% of fuel and associated emissions as wind assistance, with the potential for much higher benefits as the technology develops or is deployed on optimized newbuild ships. Wind solutions are cost-effective, do not depend on alterations to port infrastructure and ensure shipowners have improved operational autonomy in mitigating the risks and uncertainties of being commercially dependent on the unknown cost and availability of alternative fuels. Therefore, the adoption of wind solutions will greatly assist the global fleet in reducing net emissions in the short-term, reducing the carbon intensity of the whole fleet, and better enable to meet IMO GHG reduction targets.

EU relevance

The Union has competence on the matter.

Without recalling all acts 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.

In the Climate Diplomacy – Council Conclusions of 18 February 2019, the EU also calls on the IMO to implement its initial greenhouse gas emission strategy consistent with the temperature goals of the Paris Agreement.

The Communication on the European Green Deal of 11 December 2019 states that greenhouse gas emissions from shipping need to be reduced and that actions by the EU to achieve this should be coordinated with the IMO.

The EU also recognised that many developing countries, especially small developing island 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 2020. The EU could consider further technical assistance and capacity-building measures and is encouraging third countries to launch similar projects.

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. The regulation aims to deliver robust and verify CO_2 emissions data, inform policy makers and stimulate the market up-take of energy efficient technologies and behaviours by addressing market barriers such as the lack of information. It 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 provides for emission factors for fuels on board.

In addition, the original Renewable Energy Directive (2009/28/EC) establishes an overall policy for the production and promotion of energy from renewable sources in the EU. It requires the EU to fulfil at least 20% of its total energy needs with renewables by 2020 – to be achieved through the attainment of individual national targets. All EU MS must also ensure that at least 10% of their transport fuels come from renewable sources by 2020. This Directive was revised in 2018 (Directive 2018/2001/EU) entering into force in December 2018 as part of the Clean energy for all Europeans package, aiming to keep the EU a global leader in renewables and, more broadly, helping the EU to meet its emissions reduction commitments under the Paris Agreement. The new Directive establishes a new binding renewable energy target for the EU for 2030 of at least 32%, with a clause for a possible upwards revision by 2023.

Directive 2014/94/EU of the European Parliament and of the Council of 22 October 2014 on the deployment of alternative fuels infrastructure requires Member States to ensure that LNG is available at EU core ports for seagoing ships as from the end of 2025. National policy frameworks have been established by EU Member States for the market development of alternative fuels and their infrastructure, with a particular focus on the different supporting measures and initiatives for the promotion and development of LNG refuelling points for sea going ships.

The EU regulatory framework covers well-to-wake emissions: the transport emissions are accounted for on a tank-to-wake basis, while the well-to-tank emissions are part of EU energy policy. Overall, setting the appropriate emission factors and incentivising the uptake of low- and zero-carbon fuels necessitates an analysis of lifecycle fuel emissions.

<u>Background</u>

In 2011 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 tonnage and above, and mandating the use of the Ship Energy Efficiency Management Plan (SEEMP) for all ships of 400 gross tonnage 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.

In 2016, following the adoption and entry into force of the Paris Agreement, the MEPC established 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 taking into account data on actual levels of emissions to become available in the next years. This is important in order to set the sector on the path towards full decarbonisation that should take place as soon as possible. The key priorities of the IMO was then the development and implementation of short-term measures that can reduce emissions also before 2023, as well as to begin work on the development of other candidate measures aiming for agreement by 2023. This work was being considered during ISWG-GHG 5 and 6 as well as MEPC 74.

Consideration at ISWG-GHG 7

The seventh intersessional working group aims to consider concrete proposals to improve the operational energy efficiency of existing ships, proposals to reduce methane slip and emissions of Volatile Organic Compounds (VOCs), a draft MEPC resolution on voluntary National Action Plan (NAP), concrete proposals to encourage the uptake of alternative low-carbon and zero-carbon fuels, as well as the development of further actions on capacity-building and technical cooperation to support the implementation of measures.

Based on submissions and comments made during ISWG-GHG 6 the Chair proposed in ISWG-GHG 7/2 submitted a concept paper on a possible regulatory framework for a mandatory goal-based measure to reduce the carbon intensity of international shipping, drafted as a new regulation 22B of MARPOL Annex VI. The objective of this paper is to combine the operational and technical measures proposed by Member States to improve the operational energy efficiency of existing ships.

The Society for Gas as a Marine Fuel (SGMF) continues to defend the use of LNG as a fuel that reduces not only SO_x and NO_x but also GHG. In ISWG-GHG 7/5, the SGMF presents the results of a Well-to-Wake (WtW) GHG analysis on the use of LNG as marine fuel. The study key findings are that both on a Tank-to-Wake (TtW) and on Well-to-Wake (WtW) basis, the use of LNG as a marine fuel show GHG reduction compared with current HFO-fuelled engines and current oil-based marine fuels over the entire lifecycle, respectively.

In ISWG-GHG 7/2/1, IPTA informs the working group that in view of the specific operation of chemical tankers it would be difficult to produce an accurate record of such ships' carbon intensity. Therefore, IPTA advocates the need to maintain flexibility when measures are adopted, in order to ensure that compliance is monitored in the most appropriate way for the different types of ships.

The EU submitted document ISWG-GHG 7/5/9 on the introduction of life cycle guidelines to estimate well-to-tank greenhouse gas (GHG) emissions. The suggested life cycle guidelines would be based on sustainability and GHG emissions saving criteria to incentivise the uptake of alternative fuels at global level.

Consideration at MEPC 75

- Establishment of international research and technical cooperation funds

The Secretariat (MEPC 75/7) informs the Committee that it has set up the GHG TC-Trust Fund in accordance with the outcome of MEPC 74 and encourages interested parties to consider making a financial contribution to the fund. This measure was supported by the EU at MEPC 74. In MEPC 75/7/5, Indonesia while supporting the document by the Secretariat proposes the establishment of blended financing.

The shipping industry (ICS, BIMCO, CLIA, INTERCARGO, INTERFERRY, INTERTANKO, IPTA, and WSC) in MEPC 75/7/4 proposes the development of an International Maritime Research and Development Board (IMRB) to ensure that essential research and prototype development of low-carbon and zero-carbon fuels and technologies commences as soon as possible. Although this could be considered as a valuable contribution to speed up the research and uptake of alternative fuels it cannot be considered as a measure that will lead to immediate results in the reduction of GHG emissions from international shipping.

The European Union supports research and innovation focussed on the decarbonisation of shipping. Presently this is within the Horizon 2020 programme, ending this year and which over 7 years will have allocated almost €400 million towards all aspects of shipping for both maritime and inland navigation. The successor R&I programme, Horizon Europe, from 2021 until 2027, with a requested budget of €100 Bn for all research areas (health, industry, environment etc.) will be the world's largest single R&I programme. The European Green Deal will be at the heart of Horizon Europe and it will support R&I aiming to decarbonise shipping. In this respect, preparations are underway to establish a candidate public-private "Zero-Emission Waterborne transport" partnership for Horizon Europe, which will start in 2021.

The proposed "Zero-Emission Waterborne Transport" partnership is led by the Waterborne Technology Platform, which represents and coordinates the R&I interests and strategies of the European waterborne sector. This initiative has been supported by the EU Member States in the framework of the Horizon Europe's Shadow Transport Program Committee. In October 2019 the Member States, together with the European Commission, agreed that the "Zero Emission Waterborne Transport" partnership could proceed as a candidate partnership. Its strategic goal is to demonstrate by 2030, potentially deployable climate neutral solutions suitable for all main ship types and services. This underpins the objectives of the European Green Deal and the IMO GHG emission reduction targets. The private partners will be expected to leverage additional value from EU's financial support.

Since the EU's R&I activities, including a likely "Zero-Emission Waterborne Transport" partnership will already commence next year, it will be important to ensure complementarity between both European and any global R&I shipping decarbonisation programme (if and when established).

- *4th IMO GHG study*

The Secretariat (MEPC 75/7/3) provides an update on the preparation of the fourth IMO GHG Study. It provides details of the consortium, whose project leader is Dr. Jasper Faber of CE Delft, as well as the timeframes that the consortium has to follow.

-Draft Resolution on National Action Plans

In MEPC 75/7/2 the Secretariat sets out the progress made on the issues within the ToR of the 6th session of the ISWG-GHG. The WG advocates that MEPC 75 consider, with a view to adoption, the draft MEPC resolution on encouragement of Member States to develop and submit voluntary National Action Plans (NAPs) to address GHG emissions from ships (paragraphs 41 to 45 and annex 1).

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Agenda item 8 – Follow-up work emanating from the Action Plan to address marine plastic litter from ships

Docs: MEPC 75/8, MEPC 75/8/1-5, MEPC 75/INF.19, MEPC 75/INF.23

MEPC 75/8 (Secretariat): provides an update on recent work carried out by the Secretariat in cooperation with other United Nations entities, on issues relating to marine plastic litter.

MEPC 75/8/1 (FAO): provides information on the requirements for the effective reporting on abandoned, lost or otherwise discarded fishing gear (ALDFG), which is a crucial part of an effective fishing gear marking system in the context of FAO's Voluntary Guidelines on the Marking of Fishing Gear (VGMFG). This document also provides some examples of different gear reporting systems at regional, sub-regional and national levels. Please also refer to the FAO companion document (MEPC 75/8/2) on "Progresses in the implementation of the Voluntary Guidelines on the Marking of Fishing Gear to reduce ALDFG and its impact".

MEPC 75/8/2 (FAO): provides information on fishing gear marking and abandoned, lost and otherwise discarded fishing gear (ALDFG) in the context of FAO's Voluntary Guidelines on the Marking of Fishing Gear. This document also reports results of two stakeholder surveys regarding gear marking and measures to combat ALDFG and challenges facing Member States.

MEPC 75/8/3 (Singapore): contains the report of the Correspondence Group on Development of a Strategy to Address Marine Plastic Litter from Ships.

MEPC 75/8/4 (Vanuatu): proposes to address measure 2 contained in the Action Plan i.e. "Consider making mandatory, through an appropriate IMO instrument (e.g. MARPOL Annex V), the marking of fishing gear with the IMO Ship Identification Number, in cooperation with the Food and Agriculture Organization of the United Nations (FAO)".

MEPC 75/8/5 (Secretariat): provides a progress report by the GESAMP Working Group on Sea-based Sources of Marine Litter (WG 43). A first interim report of the Working Group is found in document MEPC 75/INF.23.

MEPC 75/INF.19 (Secretariat of the Basel Convention): provides an overview of the decisions addressing plastic waste adopted by the fourteenth meeting of the Conference of the Parties to the Basel Convention (29 April to 10 May 2019).

MEPC 75/INF.23 (Secretariat): sets out, in its annex, a first, interim report of the GESAMP Working Group on Sea-based Sources of Marine Litter (WG 43). An accompanying progress report on the work of the Group is provided in document MEPC 75/8/5.

EU relevance

The Union has competence on the matter.

The issue of marine litter from ships is covered by Directive (EU) 2019/883 of the European Parliament and of the Council of 17 April 2019 on port reception facilities for the delivery of waste from ships (PRF Directive), which includes garbage as defined in MARPOL Annex V. This Directive takes into consideration MARPOL requirements, and specifically addresses the problem of marine litter from ships and seeks to maximise garbage deliveries to ports. In fact, ships need to deliver all their garbage waste to ports before departure, as set out in Article 7 of the Directive, while Article 4 of the Directive requires provision of adequate port reception facilities to receive the garbage waste.

The PRF Directive recognises that although the majority of marine litter originates from land-based activities, the shipping industry, including the fishing and recreational sectors, is also an important contributor, with discharges of waste, including plastic and derelict fishing gear, discarded directly into the sea. To address the problem, the Directive provides for a mix of incentive and enforcement measures to ensure that ships deliver their waste on shore to adequate port reception facilities. This includes the setting up and operation of a cost recovery system for waste from ships, which requires application of an indirect fee to be paid by all ships irrespective of actual delivery. For garbage waste (MARPOL Annex V), the indirect fee is set at 100% of the costs of managing the waste, giving a right to the ship to be able to deliver all its garbage (including fishing gear and passively fished waste) without any additional direct charges. The fishing and recreational sector, given their contribution to the occurrence of marine litter, have also been included in this system. 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 decided 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.

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) makes assessment and monitoring of marine litter and its impacts mandatory for EU MS and also obliges them to take measures to reduce them. Under this Directive, efforts for further harmonising measurement methodologies, for setting baselines for marine litter quantities on beach, water and seabed and for establishing legally binding thresholds so that litter of any type does not cause harm in EU are being intensified.

To address plastic litter from single-use plastics and fishing gear, accounting for almost 70% of beach litter, the EU adopted Directive (EU) 2019/904 of the European Parliament and of the Council of 5 June 2019 on the reduction of the impact of certain plastic products on the environment. This Directive regulates the use, production, consumption and waste management of single-use plastics and fishing gear. It provides for market restrictions for certain single-use plastic products, consumption reduction targets, obligations for producers, including extended producer responsibility schemes to help cover the costs of waste management and litter clean-up, awareness-raising and data gathering. As regards waste fishing gear, the new Directive requires extended producer responsibility (EPR) schemes to be set up to cover the costs of separate collection, transport and further treatment of waste fishing gear, with national collection targets to be set at Member State level, as well as the monitoring and reporting of fishing gear with a view to a later EU-wide collection target. The Directive also calls for the development of a harmonised standard on the circular design of fishing gear.

Commission Implementing Regulation (EU) No 404/2011 of 8 April 2011 lays down detailed rules for the implementation of Council Regulation (EC) No 1224/2009 establishing a Community control system for ensuring compliance with the rules of the Common Fisheries Policy. This regulation includes detailed rules on the marking of fishing gear and related reporting requirements.

In addition, Regulation (EC) No 1224/2009 establishing a Community control system for ensuring compliance with the rules of the common fisheries policy, requires Union fishing vessels to have the equipment on board to retrieve lost gear, and the retrieval by the master of the vessel in case where gear is lost. If the lost gear cannot be retrieved, the Regulation requires the master to inform the authorities of its flag Member State within 24 hours, who will subsequently have to inform the competent authority of the coastal Member State. The Commission has submitted a proposal for amendment of the Regulation, COM(2018)368 of 30 May 2018, which provides for reporting by the fishing vessel in an electronic logbook and requires Member States to collect and record the information concerning lost gear and provide it to the Commission on request. The proposal also extends the obligation to carry on board necessary equipment for the recovery of lost fishing gear to all fishing vessels, including small scale.

Finally, Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste (Waste Framework Directive), provide relevant provisions that should be taken into account, such as the call on Member States to ensure, by 2020, that properties and quantities of marine litter do not harm the marine or coastal environment (as described in MFSD Descriptor D10 and the associated four criteria identified to achieve good environmental status in European marine waters) and the call on Member States to prevent and significantly reduce marine pollution, including marine debris as a contribution to the UN Sustainable Development Goals "Conserve and sustainably use the oceans, seas and marine resources for sustainable development" (see specifically SDG Target 14.1 and indicator 14.1.1).

The 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.

In view of the above, this agenda item is subject to EU competence.

<u>Background</u>

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 Ocean governance. The Assembly responded favourably to this request and forwarded it to MEPC for further consideration.

MEPC 72 approved a new output on the "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.

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

The Committee finally adopted an action plan on marine litter which included proposals to address marine litter from shipping, including fishing vessels; the effectiveness of port reception facilities; improving treatment of marine litter; enhanced awareness, education and seafarer training; improving the understanding of the contribution of ships to marine plastic litter; understanding of the regulatory framework applicable to marine plastic litter from ships; strengthening international cooperation; and technical cooperation and capacity-building. The envisaged timeline was that the action plan should be completed by 2025. The associated draft MEPC resolution on the Action Plan to address marine plastic litter from ships was also approved (resolution MEPC.310(73)).

In view of the agreement on the developed action plan, the MEPC 73 amended the title of output 4.3 to "Follow-up work emanating from the Action Plan to address marine plastic litter from ships". The Committee established a correspondence group, coordinated by the UK, to continue working intersessionally to identify issues to be considered under an IMO Study on marine plastic litter from ships, including the most appropriate mechanism to undertake the study, as well as to develop a regulatory framework matrix which identified all international regulatory instruments and best practices related to marine plastic litter from ships.

Following the consideration of the submissions under this agenda item, MEPC 74 approved a number of measures, including:

- *the terms of reference for the IMO Study on marine plastic litter from ships;*

- *Invited FAO to make information on fishing gear and logging schemes available to MEPC and/or to the GESAMP Working Group 43, as appropriate, and to collaborate with IMO and provide advice on the voluntary or mandatory application of marking of fishing gear, including costs associated with the implementation of a mandatory requirement and the most appropriate FAO or IMO instrument for potentially introducing such a requirement.*

- *Requested GESAMP to provide a report to MEPC 74 on the work of GESAMP Working Group 43 and to review term of reference 3 of the IMO Study on marine plastic litter from ships, with a view to determining if there was any additional work that GESAMP could undertake to progress the work.*

- *Invited Member States and international organizations to provide relevant information to the Secretariat, for inclusion in the regulatory framework matrix.*

- *Invited FAO to submit to future sessions of MEPC or the PPR Sub-Committee relevant information on existing reporting mechanisms of accidentally lost or discharged fishing gear, including the challenges and benefits of such systems, as well as information that could help clarify details on losses that should be reported.*

- *Invited interested Member States and international organizations to submit to the PPR Sub-Committee proposals on reporting mechanisms for accidentally lost or discharged fishing gear, including the challenges and benefits of such systems, as well as existing and potential ways to encourage fishing vessels to report.*

- *Approved the scope of work the PPR, III and HTW Sub-Committees to progress the work of the relevant short-term actions in the Action plan to address marine plastic litter from ships (resolution MEPC.310(73)).*

• *Established a Correspondence Group on Development of a Strategy to Address Marine Plastic Litter from Ships, under the coordination of Singapore.*

Consideration at MEPC 75

The report of the correspondence group which is provided in document MEPC 75/8/3, includes a draft strategy to address marine plastic litter from ships. However, the group notes that this draft strategy is not finalised and since there is still a number of open issues, further work is required to complete it at MEPC 75.

The other three documents (MEPC 75/8 (IMO) and MEPC 75/8/1-2 (FAO) provide information on the initiatives undertaken by international organisations to reduce marine litter. In its document FAO (MEPC 75/8/2) provides extracts from Commission Implementing Regulation (EU) No 404/2011 dealing with the marking and reporting of fishing gear.

FAO in MEPC 75/8/2, maintains that fishing gear marking is one of the most important tools to combat abandoned, lost or otherwise discarded fishing gear (ALDFG) and its harmful impact on the marine environment. Therefore, in MEPC 75/8/4, Vanuatu proposes that MARPOL Annex V is amended to mandate the marking of fishing gear to prevent and/or reduce MARPOL Annex V violations. **DELETED**

Agenda item 10 – Pollution prevention and response

Docs: awaited

Considerations at PPR7 on revision of EGCS guidelines.

During PPR7 session, the review of the 2015 guidelines for EGCS was finalized by the Working Group. In the process, the Working Group also decided on deleting the existing Appendix 6 to the Guidelines on EGCS guidance on accidental breakdown; the rational given was that MEPC.1/Circ.883 approved at MEPC 74 had superseded the Appendix. Furthermore, the entire body content of Circular 883 has been retained with the only amendment being the deletion of references to the EGCS 2015 Guidelines from the title and paragraph 9 of the revised Circular and the respective footnotes. **DELETED**

DELETED

Agenda item 11 – Reports of other sub-committees

Docs: MEPC 75/11, MEPC 75/11/1-2

MEPC 75/11 (Secretariat): invites the Committee to take action on matters emanating from HTW 6.

MEPC 75/11/1 (Secretariat): provides the list of actions requested of the Committee on matters emanating from III 6.

MEPC 75/11/2 (Secretariat): the Committee is invited to take action on matters emanating from CCC 6.

III Sub-Committee

DELETED

a. Port State Control

EU relevance

The Union has competence no the matter.

Directive 2009/16/EC on port State control (PSC) concerns the enforcement, in respect of shipping using EU ports and sailing in the waters under the jurisdiction of the Member States, of international standards for ship safety, pollution prevention and shipboard living and working conditions.

Background

The report of the Correspondence Group on Measures to Harmonize Port State control (PSC) Activities and Procedures Worldwide, coordinated by the EC, contained a justification for a draft new output under the work programme on this agenda item related to the development of an entrant training manual for PSC personnel. III 6 considered this proposal and after some amendments decided to refer it to MEPC 75 and MSC 102 for approval. **DELETED**

Consideration at MEPC 75

Action point 3 of MEPC 75/11/1 requests the Committee to consider the justification for, and decide on the inclusion of, a new output on "Producing a new entrant training manual for PSC personnel", which is for voluntary use and to be updated regularly, subject to concurrent decision by MSC. The Union should support this initiative.

a. *Model Agreement for the authorization of recognized organizations (ROs) acting on behalf of the Administration*

EU relevance

The Union has competence on the matter.

In accordance with Article 5 of Directive 2009/15/EC:

"1. Member States which take a decision as described in Article 3(2) shall set out a 'working relationship' between their competent administration and the organisations acting on their behalf.

2. The working relationship shall be regulated by a formalised written and non-discriminatory agreement (...) including at least: (a) the provisions set out in Appendix II of IMO Resolution A.739(18) on guidelines for the authorisation of organisations acting on behalf of the administration, while drawing inspiration from the Annex, Appendices and Attachment to IMO MSC/Circular 710 and MEPC/Circular 307 on a model agreement for the authorisation of recognised organisations acting on behalf of the administration. [...]".

Background

DELETED

At MEPC 74, a submission by Marshall Islands et al. (MEPC 74/11/1) sought to make editorial and substantive amendments to the Model Agreement. **DELETED**

However, due to the heavy workload, MEPC 74 was unable to consider the draft circular.

At MSC 101, a full discussion was possible. Marshall Islands et al. submitted a paper, MSC 101/10/2, identical in content to MEPC 74/11/1 maintaining that some terminologies and requirements included in the draft Model Agreement go beyond the remit of recognized organizations and would therefore be detrimental to the successful conclusion of such agreements with Administrations. **DELETED** *However, MSC 101 decided to refer the draft model agreement and MEPC 74/11/1 (the Marshall Islands et al) back to III 6 for further consideration taking account of the comments made in the Committee.*

III 6 confirmed the model agreement as basically drafted at III 5 with only some editorial amendments. The Sub-Committee therefore finalised the draft MSC-MEPC circular on the revised Model Agreement and submitted it to MEPC 75 and MSC 102 for approval.

Consideration at MEPC 75

In view of the above, action point 6 of MEPC 75/11/1 requests the Committee to approve, subject to concurrent decision by MSC, the MSC-MEPC.5 circular on Model agreement for the authorization of recognized organizations acting on behalf of the Administration. **DELETED**

Agenda item 12 – Technical cooperation activities for the protection for the marine environment

Docs: MEPC 75/12, MEPC 74/12/1-5

MEPC 75/12 (Secretariat): provides an update on the activities of the Integrated Technical Cooperation Programme (ITCP) related to the protection of the marine environment implemented in 2019.

MEPC 75/12/1 (Secretariat): provides an update on the major projects related to the protection of the marine environment during the period from 1 January 2019 to 31 December 2019.

MEPC 75/12/2 (REMPEC): provides an update on activities implemented by the Regional Marine Pollution Emergency Response Centre for the Mediterranean Sea (REMPEC) for the period from 1 January to 31 December 2019.

MEPC 75/12/3 (Kenya): provides the outcomes of an ITCP-funded workshop discussing barriers hampering full implementation and enforcement of MARPOL in Eastern and Southern African Member States and possible ways to address those barriers, taking into account relevant IMSAS findings.

MEPC 75/12/4 (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. GIA recently agreed to extend its work to 31 December 2023. Given the termination of the GloMEEP Project on 31 December 2019, GIA will continue its work under the framework of the IMO-Norway GreenVoyage-2050 Project.

(*) MEPC 75/12/5 (Norway): provides an overview of environmental related projects where Norway is a funder. The aim is to show the intention and the results gained from these projects and to invite other donors to join in such results-oriented initiatives.

The Commission wishes to draw the attention of Member States to document MEPC 75/12/1 (Secretariat) which provides information on the activities carried out under the IMO-European Union Global MTCC Network (GMN) Project on Capacity-Building for Climate Mitigation in the Maritime Shipping Industry and which included the establishment of five Maritime Technology Cooperation Centres (MTCCs). Also of interest to the EU is the reporting of the initiatives by REMPEC (MEPC 75/12/2) to progress the work on the possible designation of the Mediterranean Sea as SOx ECA.

DELETED

Agenda item 14 – Work programme of the Committee and subsidiary bodies

Docs: MEPC 75/14, MEPC 75/14/1-3

MEPC 75/14 (Australia, Canada and United States): Recalling the International Maritime Organization's (IMO) past work on underwater vessel noise, IMO's Strategic Plan and advances in research and technology, this document proposes a new output on the agenda of MEPC to undertake a review of the 2014 Guidelines for the reduction of underwater noise from commercial shipping to address adverse impacts on marine life (MEPC.1/Circ.833) and identify next steps.

MEPC 75/14/1 (FOEI, WWF, IFAW, Pacific Environment and CSC): provides comments on document MEPC 75/14 "Proposal for a new output concerning a review of the 2014 Guidelines for the reduction of underwater noise from commercial shipping to address adverse impacts on marine life (MEPC.1/Circ.833) and identification of next steps" submitted by Australia, Canada and the United States. The co-sponsors of this document draw attention to the worldwide impact of underwater noise on the marine environment, the urgency of the issue, the lack of activity to date and expressions of support for mitigation measures from international forums and civil society.

MEPC 75/14/2 (Austria et al.): expresses general support for that new output, while presenting all the initiatives taken at European level to limit underwater noise pollution from ships and its impact on the marine environment and species.

MEPC 75/14/3 (World Maritime University): This document provides comments on document MEPC 75/14 and information on the International Symposium on Anthropogenic Underwater Noise, which took place in Hamburg, Germany, in September 2019 and was organized by the Jens-Peter and Betsy Schlüter-Foundation for Shipping and Environmental Protection and the World Maritime University (WMU) with the support of IMO.

EU relevance

The Union has competence on the matter.

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.

Background

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

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 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.

At MEPC 74, document MEPC 74/17/2 (Canada and France) provides information on initiatives taken by different bodies to further understand the effects of underwater noise from shipping as well as possible measures to mitigate negative effects on the sustainable development of the oceans. Amongst others it notes that the Marine Strategy Framework Directive 2008/56/EC, which requires that EU Member States develop a Marine Strategy in order to achieve Good Environmental Status (GES) by 2020, includes underwater noise as one of the issues to consider (see Descriptor 11 on Energy and Noise). It also mentions the international survey, being conducted by the European Institute for Marine Studies which aims to identify effective management frameworks that ports can use to mitigate underwater noise from shipping. Canada supplemented document MEPC 74/17/2 with two information papers. One (MEPC 74/INF.36) highlighted the recommendations and outcomes from the international technical workshop on underwater vessel noise, titled Quieting Ships to Protect the Marine Environment, held at the end of January 2019 at the IMO. The other (MEPC 74/INF.28) provided the results of a review of underwater radiated noise mitigation measures from ships.

Canada also announced that it intended to submit a request for a new work output to MEPC 75, which will aim to address the identified policy needs related to underwater vessel noise.

<u>Consideration at MEPC 75</u>

Australia, Canada and United States in document MEPC 75/14 are requesting the Committee to approve the establishment of a new urgent output to request the SDC Sub-Committee to review the 2014 Guidelines for the reduction of underwater noise from commercial shipping to address adverse impacts on marine life (MEPC.1/Circ.833) and to identify the next steps.

In support of this document the EU submitted document MEPC 75/14/2 highlighting the initiatives taken at European level to limit underwater noise pollution from ships and its impact on the marine environment and species.

DELETED

Agenda item 16 – Any other business

Docs: MEPC 75/16, MEPC 75/16/1

MEPC 75/16 (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 75/16/1 (Secretariat): reports on the outcome of the third session of the intergovernmental conference on marine biodiversity of areas beyond national jurisdiction (BBNJ), held from 19 to 30 August 2019, at the United Nations Headquarters in New York, as well as plans for the fourth session.

DELETED

APPENDIX 1

Agenda items postponed by MEPC 74 for consideration by MEPC 75

Agenda item 6 – Minimum propulsion power to maintain manoeuvrability of ships in adverse conditions

Whereas minimum propulsion power to maintain manoeuvrability of ships in adverse conditions is addressed in various submissions, it should be recalled that it was decided at MEPC 69 that this issue would be considered separately from the EEDI process.

IACS in MEPC 74/5 sets out a number of technical considerations/concerns to be taken into account as ship designers seek to meet the EEDI values. Notable amongst them is the concern about speed reduction versus the need for minimum propulsion power in adverse weather. This issue is also taken up by two other submissions:

- *MEPC 74/5/5 (France, Germany, Japan, Norway and Spain) further develops the concept of "Shaft / Engine Power Limitation", which provides a technical solution for potential conflicts between EEDI requirements and minimum required propulsion power, going beyond the initially identified concerns related to two specific ship type categories, namely large tankers and bulk carriers that were proven to face negative effects from reducing speed/power (reference is made to SHOPERA & JASNOE).*

- *MEPC 74/5/17 (Denmark) sets out other possible solutions to ensure sufficient power to the ship in adverse weather, namely propeller pitch and adverse weather functionality based on an extension of the existing load diagram of the ship's engine.*

DELETED

- Other issues

In MEPC 74/5/7, the Secretariat indicates that the model course on energy efficient operation of ships is outdated and recommends that instead of investing resources to update it, reference could be made to the presentations and training materials prepared under the GLoMEEP and GMN projects. **DELETED**

DELETED

Global data collection system

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. MRV is expected to be a cost-effective measure triggering the uptake of mitigation measures, which are currently not implemented due to the existence of market barriers such as the lack of information on emissions, fuel consumption and reduction potentials. 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.

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 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.

As requested by MEPC 72, the Secretariat updated the database to include the communication feature that sends a list for ships falling under the scope to the Administration, 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. On recognized organizations, the Secretariat has been contacted by 10 out of 28 ROs to set up their web accounts for the database.

Consideration at MEPC 74

In MEPC 74/6/1, CLIA sets out a model methodology and transport work metric for consideration by the Committee for adoption to allow the cruise ship industry to be seen to play its part in GHG emission reduction within the EEDI framework. In MEPC 74/6/2, in response to a call at MEPC 73, and following on from their previous paper MEPC 73/6/2 on the same issue, IACS and OCIMF set out possible means of analysis of data from the IMO Ship Fuel Oil Consumption Database, including identification of performance indicators and possible further analyses that could be undertaken, including the factor of speed. **DELETED**

APPENDIX 2

Seventh Meeting of the Intersessional Working Group on Reduction of GHG emissions from ships (ISWG-GHG 5) submissions

DOCS: ISWG-GHG 7/1, ISWG-GHG 7/2, ISWG-GHG 7/2/1-24, ISWG-GHG 7/3, ISWG-GHG 7/3/1, ISWG-GHG 7/4, ISWG-GHG 7/5, ISWG-GHG 7/5/1-9, ISWG-GHG 7/6, ISWG-GHG 7/8, ISWG-GHG 7/8/1

ISWG-GHG 7/1 (Secretariat): provides the provisional agenda of the ISWG-GHG 7.

ISWG-GHG 7/2 (Chair): provides a possible regulatory framework prepared by the Chair to assist progress by the Group on agenda item 2.

ISWG-GHG 7/2/1 (IPTA): provides comments on operational issues in the chemical tanker industry that affect fuel consumption.

ISWG-GHG 7/2/2 (Denmark): addresses the architecture of an implementation model for an operational goal-based measure which relies on the documentation of continuous improvement in energy efficiency management in a SEEMP and use of appropriate Carbon Intensity Indicators (CIIs) to determine compliance of a ship with a required Carbon Intensity (CI) reduction. The required CI reduction progressing over time to ensure that the 2030 level of ambition in the Initial IMO Strategy on Reduction of GHG Emissions from Ships (the Initial IMO Strategy) is achieved.

ISWG-GHG 7/2/3 (Brazil): proposes that measures aimed at mitigating GHG emissions from ships should take into consideration the data received under the ship fuel oil consumption data collection system (DCS) and the findings arising from the Fourth IMO GHG Study.

ISWG-GHG 7/2/4 (Pacific Environment and CSC): assesses the potential for engine power limitation (EPL) to reduce CO_2 emissions from the existing fleet, based on the results of a new study by the International Council on Clean Transportation. The co-sponsors conclude that EPL as currently envisaged is not fit for purpose as a short-term measure to reduce the carbon intensity of international shipping and that other measures, including mandatory speed reduction and directly limiting the operational carbon intensity of ships, would be more effective and appropriate.

ISWG-GHG 7/2/5 (Pacific Environment and CSC): summarizes the key findings of a new study by the International Council on Clean Transportation on the effectiveness of engine power limitation (EPL) as a measure to reduce CO_2 emissions from existing ships.

ISWG-GHG 7/2/6 (Greece, Japan, Norway, Panama, United Arab Emirates, ICS, BIMCO and INTERTANKO): proposes draft amendments to MARPOL Annex VI to incorporate the goal-based energy efficiency improvement measure utilizing Energy Efficiency Existing Ship Index (EEXI), with a view to approval at MEPC 75 and entry into force in 2022. The draft text, as set out in annex 1 of this document, was developed by an informal group established by interested Member States and non-governmental organizations.

ISWG-GHG 7/2/7 (Greece, Japan, Norway, Panama, United Arab Emirates, ICS, BIMCO, INTERTANKO and RINA): as a supplement to document ISWG-GHG 7/2/6 proposing draft amendments to MARPOL Annex VI to incorporate the goal-based energy efficiency improvement measure utilizing Energy Efficiency Existing Ship Index (EEXI), this document proposes three sets of draft guidelines to implement and enforce the EEXI. These guidelines are namely: 1) the EEXI Calculation Guidelines; 2) the EEXI Survey and Certification Guidelines; and 3) the SHaPoLi/EPL Guidelines for the EEXI.

ISWG-GHG 7/2/8 (Greece, Japan, Norway and ICS): in accordance with paragraph 12 of the Procedure for assessing impacts on States of candidate measures (MEPC.1/Circ.885), this document provides additional information on the impact assessment of the goal-based energy efficiency improvement measure on existing ships (EEXI) as proposed in document ISWG-GHG 6/2/3 (Japan and Norway), for which an initial impact assessment is provided in document ISWG-GHG 6/2 (Japan and Norway). The additional information shows that implementation of the EEXI will reduce ship running costs while increasing interest and insurance costs. The overall transport costs will not be negatively impacted under the proposed level of the required EEXI.

ISWG-GHG 7/2/9 (Denmark, France and Germany): proposes a mandatory operational "goal-based" short-term measure where an individual target of carbon intensity reduction is assigned to each ship and where shipowners and crews are free to choose the means to reach it. Enforcement will be based on the ship's International Energy Efficiency Certificate (IEEC) that will be renewed every five years with an annual verification audit on achievement of the ship's annual target. The co-sponsors propose several amendments to MARPOL Annex VI, including a new regulation 22B.

ISWG-GHG 7/2/10 (Mexico, Solomon Islands and Tonga): provides insights from selected Pacific Small Island Developing States (SIDS) and Least Developed Countries (LDCs) into their needs. The purpose of the document is to assist the Organization in paying particular attention to their needs as defined in the various IMO resolutions, including the Initial IMO GHG Strategy and Impact Assessment procedure.

ISWG-GHG 7/2/11 (Solomon Islands and Tonga): outlines a pragmatic approach of four actions that can be taken to enable adoption of measures to reduce GHG emissions from international shipping where there may be uncertainty as to the potential for disproportionately negative impacts on States.

ISWG-GHG 7/2/12 (Pacific Environment and CSC): In response to discussions at ISWG-GHG 6 and MEPC 74, this document proposes a goal-based approach to achieving the substantial speed-related emissions reductions that are necessary in the short-term if international shipping's GHG emissions are to peak quickly and then decline on a pathway consistent with keeping warming below the Paris Agreement's target of 1.5°C. This document proposes linear carbon intensity improvement per ship of at least 80% by 2030 compared to the 2008 baseline of the Initial IMO GHG Strategy. The 2030 requirement and intermediate annual improvements should be implemented using the Annual Efficiency Ratio (AER) metric (gCO_2eq/DWT-nm and gCO_2eq/GT-nm). Compliance should be measured in three-year cycles, with annual audits. An impact assessment of this approach is also included.

ISWG-GHG 7/2/13 (CESA): highlights the need to improve the energy efficiency of existing ships by operational and technical measures. Both instruments could be implemented in parallel in a flexible and goal-based manner with clearly distinguished scopes of application. In order to contribute to the definition of an appropriate level of ambition, a review of technologies is provided, addressing maturity, retrofitability and reduction potentials.

ISWG-GHG 7/2/14 (Greece, Japan and Norway): proposes to strengthen the SEEMP framework by adding mandatory elements in the SEEMP and a recommendation to audit the SEEMP at every ship and company audit as part of the existing ISM regime. The document includes drafts amendments to regulation 22 of MARPOL Annex VI and the SEEMP Guidelines.

ISWG-GHG 7/2/15 (Greece, Japan and Norway): aims to address questions and concerns raised at ISWG-GHG 6 on the proposal to establish an Energy Efficiency Existing Ship Index (EEXI): is a power limit effective as opposed to a speed limit, and will the proposed EEXI reduction levels lead to emission and carbon intensity reduction? What is the impact on SIDS and LDCs? And what is the impact on older ships?

ISWG-GHG 7/2/16 (India, Liberia, Panama, Singapore, United Arab Emirates, ICS and RINA): contains a concrete proposal for a short-term measure for immediate consideration by ISWG-GHG 7, based on goal-based operational and technical measures to reduce GHG emissions from ships. The measure is based on proposals already considered at ISWG-GHG 6 and would complement the Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicators (CII) approaches. As such, it provides a positive and ambitious way forward which could be finalized and agreed quickly, with implementation by 2023.

ISWG-GHG 7/2/17 (Chile): contains the results of the economic and environmental impacts of slow steaming – also referred to as vessel speed reduction (VSR) – for distant economies, addressing the issue from a shipper´s/trade point of view. The study explains the various parameters that need to be considered when evaluating slow steaming and what the environmental and economic impacts are across varied ship types, fleet, distance, and cargo. This economic impact analysis is based on the total annual trade in 2017 (full year volume) between the long-distance economies' pairs (export and import economies), in both total volume in kilos and value in US dollars, for dry bulk and containerized cargoes.

ISWG-GHG 7/2/18 (Belgium, Denmark, France, the Netherlands and Spain): The agreement and adoption of short-term measures have a significant importance for IMO as this will be the first step to implement the Initial Strategy and contribute to the achievement of the Paris Agreement temperature goals. This document summarizes recent evidence from UNCTAD and IPCC which provides important insight that demonstrates the scale of what must be achieved by the short-term measures and provides useful guidance that should be taken into account when selecting and defining short-term measures.

ISWG-GHG 7/2/19 (Argentina and Chile): requests information from proponents of specific measures submitted at ISWG-GHG 6 regarding their readiness to mitigate and - if so - the extent of their adverse effects. It also requests information from shipping industry NGOs (e.g. ICS, INTERTANKO, BIMCO) about the impact that such measures may be expected to have on freight costs from distant countries such as Argentina to the main ports in Europe and Asia.

ISWG-GHG 7/2/20 (Denmark, France and Germany): provides a detailed impact assessment of the mandatory operational goal-based short-term measure submitted by Denmark, France, and Germany in document ISWG-GHG 7/2/9. The detailed impact assessment is undertaken in accordance with the procedure for a comprehensive impact assessment as defined in MEPC.1/Circ.885. The detailed impact assessment is provided in annex to this document, and recommendations are provided in paragraph 15 of this document.

ISWG-GHG 7/2/21 (Brazil and China): proposes an operational carbon intensity rating mechanism as a mandatory goal-based measure to reduce the carbon intensity of international shipping, including the proposed draft amendments to MARPOL Annex VI and the sketches of four supporting guidelines.

ISWG-GHG 7/2/22 (Republic of Korea): provides comments on document ISWG-GHG 7/2 (Note by the Chair) regarding possible regulatory framework on a mandatory goal-based measure to reduce the carbon intensity of international shipping.

ISWG-GHG 7/2/23 (Germany, Netherlands and Spain): comments on the draft regulatory framework proposed for a mandatory short-term goal-based measure as proposed by the Chair in document ISWG-GHG 7/2. It suggests changes that improve the wording in order to clarify that ships must comply with both operational and technical efficiency standards at a sufficient level of ambition if the commitment in the Initial Strategy is to be met.

ISWG-GHG 7/2/24 (United States): further considers the concept of a proposed regulatory framework prepared by the Chair to assist progress by the Group on agenda item 2.

ISWG-GHG 7/3 (FOEI, WWF, Greenpeace International, Pacific Environment and CSC): contains a proposal to include all greenhouse gases emitted from ships, including methane slip, in future phases of the Energy Efficiency Design Index, beginning with phase 4.

ISWG-GHG 7/3/1 (SGMF): The issue of methane slip from gas-fuelled engines highlights the issue to reduce GHG emissions from the maritime transport industry. This paper provides information in this respect and a proposal for the reduction of methane on a carbon equivalent basis. Methane slip increases the GHG emissions associated with the use of LNG as a marine fuel. A summary of actions taken by engine manufacturers to reduce methane slip is presented. To further drive the reduction of GHG emissions, a proposal is presented to add methane by means of a CO_2-equivalent in relevant measures and guidelines including EEDI.

ISWG-GHG 7/4 (OECD): aims to provide an overview of existing national fiscal measures that could facilitate the reduction of GHG emissions from shipping. Such measures could be adopted by other countries for inclusion in their National Action Plans. These fiscal measures could also be mentioned in the draft MEPC resolution on encouragement of Member States to develop and submit voluntary National Action Plans to address GHG emissions from ships. This overview is based on the study Maritime Subsidies: Do They Provide Value for Money? (2019) carried out by the International Transport Forum at the OECD, and the OECD study Taxing Energy Use (2019).

ISWG-GHG 7/5 (SGMF): contains the results of a lifecycle greenhouse gas (GHG) emissions and air quality local pollutants study conducted in order to gain more knowledge on the use of liquified natural gas (LNG) as marine fuel compared with current and post-2020 conventional oil-based fuels.

ISWG-GHG 7/5/1 (EUROMOT): adds further information to document MEPC 73/7/2, submitted by CESA and EUROMOT. Annexes 1, 2 and 3 of this document have been prepared by the International Council on Combustion Engines (CIMAC): Zero carbon energy sources for shipping (Annex 1), Production pathways for hydrogen with zero carbon footprint (Annex 2) and Zero and net zero carbon fuel options (Annex 3).

ISWG-GHG 7/5/2 (FOEI, WWF, Greenpeace International, Pacific Environment and CSC):

summarizes the key findings of a new study by the International Council on Clean Transportation (ICCT) titled "The climate implications of using LNG as a marine fuel".

ISWG-GHG 7/5/3 (Republic of Korea): highlights the importance of applying well-to-propeller analysis for marine fuels from a long-term point of view. In addition, it proposes a practical approach to investigating lifecycle GHG/carbon intensity for credible marine fuels.

ISWG-GHG 7/5/4 (Australia): To successfully achieve the 2050 ambition of 50% reduction in greenhouse gas emissions from ships compared to 2008 levels contained in the Initial IMO Strategy, deployment of new technologies and switching to alternative fuels such as hydrogen will be required. In the meantime, in order to peak emissions as soon as possible, wider adoption of technologies that are currently available to reduce emissions should not be neglected. Fuel transitioning, informed by consistent application of agreed life cycle analysis guidelines, is a measure that can offer immediate savings to reduce emissions in global shipping. This document provides an Australian case study of a life cycle analysis for Liquefied Natural Gas (LNG) as a transitional marine fuel.

ISWG-GHG 7/5/5 (CESA): highlights the need for a life cycle assessment (LCA) of alternative fuels in order to develop meaningful IMO instruments that ensure sufficient and timely GHG emission reduction as well as necessary technical flexibility. The document discusses possible consequential amendments to IMO instruments that would be necessary in order to incorporate life cycle aspects.

ISWG-GHG 7/5/6 (IMarEST): There is a pressing need and a precedent for IMO to take a whole life cycle approach. The consideration of a fuel's whole life cycle is of critical importance to ensure the incentivization of actions that have greater cost-effectiveness and avoid unintended consequences. IMO has a precedent for policy that incentivizes action beyond the ship. To address these issues, IMarEST proposes that the Bunker Delivery Note could be used to document the type of fuel and information about upstream emissions, to enable a policy that uses this information. A simple approach based on the type of fuel may enable a first inclusion of a whole life cycle and allow a more comprehensive approach to be developed over a longer period of time.

ISWG-GHG 7/5/7 (WWF): outlines the findings of an inquiry commissioned by the Sustainable Shipping Initiative to explore the potential role (if any) of biofuels in the decarbonization of shipping. It presents an overview of the various positions, controversies and concerns about biofuels for shipping, with a focus on issues related to their sustainability and availability.

ISWG-GHG 7/5/8 (Australia, Japan, Norway, Republic of Korea and ICS): contains draft life cycle GHG and carbon intensity guidelines for maritime fuels, based on the documents submitted to and discussions during ISWG-GHG 6. To enable reporting according to the IPCC inventory guidelines, the document proposes to introduce a fuel life cycle label (FLL) which broadly categorizes a fuel based on carbon source and other sustainability aspects and determines if the CO_2 emissions should be accounted for by international shipping. All aspects in the guidelines are not fully elaborated and would need further consideration.

ISWG-GHG 7/5/9 (Austria et al.): suggests the introduction of life cycle guidelines to estimate well-to-tank greenhouse gas (GHG) emissions. These suggested life cycle guidelines would be based on sustainability and GHG emissions saving criteria to incentivize the uptake of alternative fuels at global level.

ISWG-GHG 7/6 (Secretariat): provides information on the possible areas of cooperation between UNCTAD and IMO to support assessment of impacts on States of candidate measures.

ISWG-GHG 7/8 (UNCTAD and the World Bank): Maritime transport costs vary widely. Often, Small Island Developing States (SIDS), Landlocked Developing Countries (LLDC) and Least Developed Countries (LDC) spend more than the average country on international transport and insurance costs for trade in goods. However, existing public data on maritime transport costs required for impact assessments of GHG reduction candidate measures appears to have significant room for improvement. UNCTAD and the World Bank have therefore begun developing a global transport costs database for international trade with a special focus on trade serviced by international maritime transport. The database is to feature a new dataset that is both global and granular in nature. This is intended to help overcome the existing paucity of maritime transport costs data. The database will initially populate a limited sample of countries and commodities, before expanding its coverage to all countries and all commodities.

ISWG-GHG 7/8/1 (United Kingdom): explores possible mid-term measures to reduce GHG emissions from international shipping. It focuses on five different options for economic incentives, setting out their main characteristics and how they may contribute to achieving the objectives of the Initial Strategy.