

Monitoring, reporting and verification of carbon dioxide emissions from maritime transport

2013/0224(COD) - 28/06/2013 - Legislative proposal

PURPOSE: to monitor, report and verify carbon dioxide emissions from maritime transport.

PROPOSED ACT: Regulation of the European Parliament.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: in the view of contributing to the EU 2020 Strategy, the 2011 Commission [White Paper on Transport](#) states that EU CO₂ emissions from maritime transport should be reduced by 40% (if feasible 50%) from 2005 levels by 2050.

In 2010 the total CO₂ emissions related to European maritime transport activities (including intra EU routes, incoming voyages to the EU and outgoing voyages from the EU) were estimated to be of the order of 180 Mt CO₂. Despite of the introduction of minimum energy efficiency standards for certain categories of new ships ("Energy Efficiency Design Index",

EEDI) by the International Maritime Organisation (IMO) in 2011, **the emissions are expected to increase**.

The projected increase of CO₂ emissions from shipping is not in line with the EU objectives, leading to negative impacts on climate change. Furthermore, at the EU level, international maritime transport remains the only transport mode not included in the EU's greenhouse gas emissions reduction commitment which requires additional efforts from all other sectors.

Today, the precise amount of CO₂ and other greenhouse gas emissions of EU-related maritime transport is not known due to the lack of monitoring and reporting of such emissions. Convinced of the need for a **staged approach to reduce greenhouse gas emissions from maritime transport**, the Commission considers that a robust system for monitoring, reporting and verification (MRV) of greenhouse gas emissions from maritime transport is a prerequisite for any market-based measure or efficiency standard, whether applied at EU level or globally.

IMPACT ASSESSMENT: according to the results of the impact assessment, the MRV only option would lead to more **limited emission reductions estimated at up to 2% in 2030 (compared to the baseline) leading to cost reductions up to around EUR 1.2 billion in 2030**. Costs of implementation are estimated at around EUR 26 million per year (when excluding ship below 5000 GT from the scope). Overall, the relative benefit/cost ratio of this option is very high.

LEGAL BASIS: Article 162(1) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: the purpose of the legislative proposal is to ensure that greenhouse gas emissions from ships are monitored and reported, and therefore to improve the availability of information for policy and decision making in the context of the Union's climate change commitments and provide incentives for mitigation efforts.

To this effect, it is proposed to establish an **EU MRV system for CO2 emission from ships** as first step of a staged approach to reduce these emissions.

The operational characteristics of the proposed MRV system are as follows:

CO2 emissions from ships: the proposed measure focusses on CO2 emissions representing about 98% of the greenhouse gas emissions of the shipping sector and on large ships above 5000 Gross Tons (GT) which account for around 55% of the number of ships calling into Union ports and represent around 90% of the related emissions..

Minimise the administrative burden: the proposal aims to reduce the administrative burden as much as possible for ship owners and operators and provides to this effect that the annual calculation of CO2 emissions shall be based on fuel consumption and fuel type and energy efficiency using available data from log books, noon reports and bunker delivery notes.

In addition, reporting and publication of reported information should be organised on an annual basis.

Geographical scope: the following routes will in principle be covered in a non-discriminatory manner for all ships regardless their flag: intra-EU voyages; voyages from the last non-EU port to the first EU port of call (incoming voyages); voyages from an EU port to the next non-EU port of call (outgoing voyages).

Verification of emission reports: the operational framework seeks the use of existing structures and bodies of the maritime sector, in particular recognised organisations to verify emission reports and to issue documents for compliance.

Verification by accredited verifiers should ensure that monitoring plans and emission reports are correct and in compliance with the requirements defined by this Regulation. **A document of compliance** issued by an independent verifier will have to be carried on board ships and will be subject to inspection by Member State authorities.

Towards a global system: given the Commission's clear preference for measures taken at global level, the EU MRV should serve as example for the implementation of a global MRV with the aim to speed up the international discussions. In this context, relevant submissions to the IMO will be made when appropriate.

The proposal includes a provision allowing the Commission to review this Regulation in the context of future international developments, in particular in case of the introduction of a global MRV system through the IMO. In such an event the proposed Regulation should be reviewed and if appropriate amended to align the provisions on MRV with the international system.

BUDGETARY IMPLICATION: the Regulation will be implemented using the existing budget and will not have an impact on the multi-annual financial framework. Limited IT development costs for the necessary adjustment of an existing tool hosted and operated by EMSA of around EUR 0.5 million are expected. EMSA's involvement depends on the respective ancillary task of the agency to be activated and approved by the EMSA Board.