

MARINE ENVIRONMENT PROTECTION  
COMMITTEE  
70th session  
Agenda item 6

MEPC 70/6/5  
2 September 2016  
Original: ENGLISH

**FURTHER TECHNICAL AND OPERATIONAL MEASURES FOR ENHANCING THE  
ENERGY EFFICIENCY OF INTERNATIONAL SHIPPING**

**Cargo carried data and transparency are essential elements of a fit for  
purpose Data Collection System**

**Submitted by Clean Shipping Coalition (CSC)**

**SUMMARY**

<i>Executive summary:</i>	Progress at MEPC 70 on the establishment of an effective global system of monitoring, reporting and verification of GHG emissions from international shipping is essential if IMO is to respond appropriately to the Paris Agreement. However, the nature of the data collected and the way it is handled are crucial to the success of the system. Of particular concern is the current lack of transparency and the intention to use proxies for transport work. These two failings will seriously undermine the ability of the data collection system to help inform future IMO work and to supplement already available aggregated data on fuel consumption and AIS derived estimates of individual ship's fuel consumption.
<i>Strategic direction:</i>	7.3
<i>High-level action:</i>	7.3.2
<i>Output:</i>	7.3.2.6
<i>Action to be taken:</i>	Paragraph 11
<i>Related documents:</i>	MEPC 69/6, MEPC 69/6/1, MEPC 69/6/2, MEPC 69/6/9; MEPC 70/3/2 and MEPC 70/INF.15

**Introduction**

1 This document is submitted in accordance with paragraph 6.12.5 of the *Guidelines on the organization and method of work of the Maritime Safety Committee and the Marine Environment Protection Committee and their subsidiary bodies* (MSC-MEPC.1/Circ.4/Rev.4), and comments on documents MEPC 70/3/2 and MEPC 70/INF.15.

2 Parties to the Paris Agreement emphasized the urgent need for measures to hold "the increase in the global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels", and they committed to "aim to reach global peaking of greenhouse gas emissions as soon as possible" and "to undertake rapid reductions thereafter".

3 The Clean Shipping Coalition welcomes the development of an IMO Data Collection System (DCS) for fuel consumption as a positive step on a journey aimed at ensuring that international shipping contributes appropriately to the Paris Agreement objective. Global IMO-sponsored fuel consumption reporting at the level of the individual ship will be a useful supplement to already available aggregated data on fuel consumption and AIS derived estimates of the individual ship's fuel consumption. However, if the DCS is to properly serve the needs of IMO and the shipping industry as they rise to the challenge of decarbonizing the sector, MEPC 70 will have to revisit the issue of transparency and also ensure that data on transport work is collected.

### **Transport work**

4 The proposal to use ship DWT.nm as a proxy for transport work will place a very serious limitation on the usefulness of the information derived from the DCS. Without data on cargo carried it will be impossible to measure the demand for shipping services, or to more accurately identify trends in maritime trade. Given the purpose of the DCS within the three-step approach and the need for it to help inform decisions on future objectives and measures (e.g. answering the questions identified in paragraph 17 of document MEPC 70/7/4), this is a very serious flaw indeed.

5 Were the data collected to be made public (see below) the absence of data on transport work would also make the output from the DCS of limited use to those purchasing shipping services or analysing supply chains as they would not be able to use the data for meaningful calculations and decisions based on the carbon intensity and emissions of those supply chains.

6 Relevant to both the above concerns, substantial evidence to justify why proxies for transport work produce spurious representations of shipping's carbon intensity can be seen both in the Secretariat's submission (MEPC 68/INF.24/Rev.1) and the submission by Belgium studying RBSA members' fleet data, including its reported transport work (MEPC 69/INF.26).

### **Transparency**

7 The Clean Shipping Coalition has already provided the Committee with materials describing the importance of transparency in a general regulatory context (MEPC 67/5/7) and more specifically in the context of reducing GHG emissions from international shipping (MEPC 67/5/8 and MEPC 68/4/11). They bear rereading as they go to the heart of explaining the barriers preventing greater efficiency in the sector. So critical is the issue, however, that we feel bound to press further the case for greater transparency of high quality data by referring the Committee to the findings of two recent studies that suggest more efficient ships are not being favoured in the market ("Revealed preferences for energy efficiency in the shipping markets"<sup>1</sup>) which is partly because the data on ship's efficiency that is available to make chartering decisions needs to be improved ("The promise and limits of private standards to reduce greenhouse gas emissions from shipping"<sup>2</sup>). Indeed, this is a regular complaint of shipowners and a situation that could be improved if quality IMO-sponsored data was made publicly available.

---

1 <http://www.bartlett.ucl.ac.uk/energy/news/documents/ucl-energy-cwr-shipping-markets-must-award-efficient-vessels>

2 <https://www.researchgate.net/publication/307558050>

### **Some other issues**

8 The data on fuel consumption/CO<sub>2</sub> emissions should be kept as accurate as possible; modern data handling should be capable of providing anonymity while avoiding the rounding up of important data.

9 The draft regulation 22A.11 provides for access by Parties to anonymized fuel consumption data for their own analysis and consideration, although indirectly via an interface. As information in the IMO database will be anonymized the introduction of an additional interface which will restrict Member State access seems unnecessary.

10 Finally, the current draft regulation 22A.11 does not provide access, even to anonymized data, for civil society organizations and research institutes, which will play an important role in advocating and providing the scientific basis for work at IMO. Restricting public access to anonymized DCS data is counterproductive and short-sighted and serves neither the interests of IMO nor the shipping industry.

### **Conclusion**

11 Transparency of fuel consumption data is becoming the norm in other transport industries. The accurate and transparent measurement of transport work is essential to understand trends and to unleash the market forces that will drive decarbonization. Whether IMO embraces this trend or bucks it by entrenching current opaque practices which serve simply to preserve the status quo is a defining question for the Organization. Shall IMO heed the call of Paris, take the lead and break down old practices that continue to hold the industry back? Or will IMO prove to its critics once again that it is unable to rise to the challenges required of greater efficiency and the radical transformation of this industry.

### **Action requested of the Committee**

12 The Committee is asked to take account of the views expressed in this document when it finalizes the DCS.

---