Fiona Cain in Maritime Risk International: Slowly Going Green

By Fiona Cain | March 16, 2018

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Ships operating in the European Union (EU) are required from this year to monitor their carbon dioxide (CO_2) emissions. The International Maritime Organization (IMO) will introduce similar requirements for its 172 member states next year. This article looks the initial steps taken by these organizations to start to shape how the maritime transport sector will reduce its greenhouse gas emissions.

The need for the regulation

The Paris Agreement to combat climate change seeks to limit increases in global temperatures this century to below two degrees centigrade and requires worldwide emissions to be at least halved from 1990 levels by 2050. The shipping industry was not expressly provided for in the Paris Agreement, notwithstanding that in 2014 it was responsible for about 2.5 percent of global greenhouse gas emissions and shipping emissions are predicted to increase between 50 percent and 250 percent by 2050. Similarly, maritime transport was not included in the EU's commitment made in 2014 to reduce greenhouse gas emissions by 40 percent by 2030 compared to 1990 levels, even though between 1990 and 2007, CO_2 emissions from international shipping in the EU increased by 48 percent.

EU MRV Regulation

On July 1, 2015, the EU Regulation on the monitoring, reporting and verification of CO_2 emissions from maritime transport (Regulation (EU) 2015/757 as amended) came into force introducing a system for monitoring, reporting and verification of CO_2 emissions from ships (EU MRV). This will provide details of the CO_2 emissions from ships in 2018 by mid-2019. ...

What next?

At the end of last year, the EU conducted a consultation process with a view to aligning EU MRV with the IMO's approach. The result of this consultation process is not yet known and it will be interesting to see whether the EU are willing to reduce the scope of EU MRV to bring it into line with IMO DCS by limiting it to the reporting of fuel consumed and allowing aggregated anonymized data.

The EU has indicated that it will use the data collected through the EU MRV to develop an emission trading system from 2023/2024, if there is no international strategy in place for the reduction of CO_2 from maritime transport. The purpose of the IMO DCS is also to inform future discussion, with final measures due to be introduced by 2023. It is currently unclear what those measures will be and whether these will avoid the need for an emissions trading system in the EU, but it is clear that the maritime transport sector needs to reduce its emissions and follow other sectors by becoming green.

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