

MARINE ENVIRONMENT PROTECTION
COMMITTEE
73rd session
Agenda item 6

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

**Further development of the three-step approach – methodology for
undertaking Phase 2 (data analysis)**

Submitted by IACS and OCIMF

SUMMARY

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

*Strategic direction,
if applicable:* 3

Output: 3.2

Action to be taken: Paragraph 18

Related documents: MEPC 68/4/4, MEPC 68/21; MEPC 69/21 and MEPC 71/17

Background

1 Having considered document MEPC 68/4/4 (United States), the Committee, at its sixty-eighth session, agreed that development of a data collection system for ships should progress and follow a three-step approach: data collection, data analysis, followed by decision-making on what further measures, if any, are required (MEPC 68/21, paragraph 4.8). This principle was subsequently re-affirmed at MEPC 69 (MEPC 69/21, paragraph 6.8).

2 Paragraph 4.7 of the *Initial IMO Strategy on Reduction of GHG Emissions from Ships* (adopted at MEPC 72 by resolution MEPC.304(72)), hereafter referred to as the Initial Strategy, reads as follows (text is underlined by the co-sponsors):

"[...] All the following candidate measures⁴ represent possible short-term further action of the Organization on matters related to the reduction of GHG emissions from ships:

.1 [...];

- .2 develop technical and operational energy efficiency measures for both new and existing ships, including consideration of indicators in line with the three-step approach that can be utilized to indicate and enhance the energy efficiency performance of shipping, e.g. Annual Efficiency Ratio (AER), Energy Efficiency per Service Hour (EESH), Individual Ship; [...]

⁴ The Initial Strategy is subject to revision based on fuel oil consumption data collected during 2019-2021 and does not prejudice any specific further measures that may be implemented in Phase 3 of the three-step approach."

3 It is noted that parallel text to that provided in sub-paragraph 2 above is also found in the Initial Strategy in relation to "mid-term Further action" (paragraph 4.8 of the Initial Strategy).

4 Further, it is noted that the following key stages for the adoption of a revised IMO GHG Strategy in 2023 as set out in the Roadmap are identified in section 6 of the Initial Strategy as follows:

January 2019	Start of Phase 1: Data collection (Ships to collect data)
Spring 2019 (MEPC 74)	Initiation of Fourth IMO GHG Study using data from 2012-2018
Summer 2020	Data from 2019 to be reported to IMO
Autumn 2020 (MEPC 76)	Start of Phase 2: data analysis (no later than autumn 2020); Publication of the Fourth IMO GHG Study for consideration by MEPC 76
Summer 2021	Data for 2020 to be reported to IMO
Spring 2022 (MEPC 78)	Phase 3: Decision step; Secretariat report summarizing the 2020 data pursuant to regulation 22A.10
Summer 2022	Data for 2021 to be reported to IMO
Spring 2023 (MEPC 80)	Secretariat report summarizing the 2021 data pursuant to regulation 22A.10; Adoption of Revised IMO Strategy, including short-, mid- and long-term further measure(s), as required, with implementation schedules

Table 1: Key stages for the adoption of a Revised IMO Strategy in 2023 identified in section 6 of the Initial Strategy

Discussion

5 In principle, the co-sponsors welcome and endorse the agreement of the Committee that development of a data collection system for ships should follow a three-step approach, which will mean the outcomes of this work will be based on a structured and data informed approach.

6 The co-sponsors urge the Committee, at this session, to commence its discussion on the methodology that will determine how Phase 2 of the process, i.e. data analysis, is to be conducted, when it should be undertaken, and which entity should undertake this work for subsequent presentation to the Committee.

7 Phase 2 should be undertaken with a view to providing outputs that will be used in the assessment and finalization of any measure that may be considered in Phase 3. As a point of principle, the co-sponsors firmly believe that the rationale underpinning this data analysis work is that this should be undertaken objectively and with an open mind as to what measures are finalized in Phase 3.

8 Paragraph 1.3 and section 6 of the *2017 Guidelines for the development and management of the IMO Ship Fuel Oil Consumption Database* (resolution MEPC.293(71)) states (text is underlined by the co-sponsors):

"1.3 With regard to data confidentiality, regulation 22A.11 stipulates that "The Secretary-General of the Organization shall maintain an anonymized database such that identification of a specific ship will not be possible. Parties shall have access to the anonymized data strictly for their analysis and consideration." These Guidelines balance data anonymization with the usability of data for analysis by the Parties and Organization."

This paragraph expects that data analysis will be conducted by the Organization, as well as by Parties to MARPOL Annex VI. Consequently, the co-sponsors urge the Committee to develop and agree, as soon as possible, a methodology for the data analysis Phase 2 that is to be conducted by the Organization. In this regard, it is noted that the Organization has already agreed a methodology for how the anonymized and aggregated data from Phase 1 on data collection should be presented to the Committee, as detailed in section 6 of resolution MEPC.293(71).

9 However, it is recognized that the outcome of a data analysis exercise that is conducted by the Organization and reported to the Committee, in accordance with a methodology agreed by the Committee, may be complemented by analyses undertaken by Parties noting paragraph 11 of regulation 22A of MARPOL Annex VI, i.e. (text is underlined by the co-sponsors):

"Parties shall have access to the anonymized data strictly for their analysis and consideration."

10 In order to maintain the integrity of the Organization's three-step approach, it is considered that the methodology for the Organization to undertake Phase 2 should be based upon the data set that will be populated in accordance with the already agreed IMO data collection system (DCS), which will commence on 1 January 2019.

11 Paragraph 10 of regulation 22A of MARPOL Annex VI states (text is underlined by the co-sponsors):

"10 On the basis of the reported data submitted to the IMO Ship Fuel Oil Consumption Database, the Secretary-General of the Organization shall produce an annual report to the Marine Environment Protection Committee summarizing the data collected, the status of missing data, and such other relevant information as may be requested by the Committee."

Noting the above mandatory provisions, the Committee is invited to consider and clarify if reports on the analysis of the aggregated and anonymized data should be considered as "any other information as requested by the Committee" and submitted by the Secretary-General on an annual basis to the Committee.

12 It is noted that paragraph 4.1 of the Initial Strategy envisages that "possible short-term measures could be measures finalized and agreed by the Committee between 2018 and 2023" and that "possible mid-term measures could be measures finalized and agreed by the Committee between 2023 and 2030". In this regard, the co-sponsors are of the view that the objective should be that the data analysis should be available to inform the assessment and finalization of all possible measures that are proposed, including the "short-term" measures.

13 In accordance with the timing of the key stages as explained in paragraph 4 above, the co-sponsors note that data analysis should commence no later than autumn 2020. In practice, this means that Phase 2 will commence based on the analysis of the data that is collected and submitted to the IMO Secretariat for the 2019 calendar year only. It is further noted that in accordance with the timing of the key stages as explained in paragraph 4 above, it is expected that Phase 3 (decision-making) will commence at MEPC 78 in spring of 2022. The co-sponsors note that the anonymized and aggregated data from the 2021 calendar year will not be available for the start of the Phase 3 process, i.e. Phase 3 is scheduled to commence after two years of data has been reported (for data collected in calendar years 2019 and 2020).

14 Noting paragraph 13 above, the Committee is invited to agree that it will need to be established as to when the output from Phase 2, providing the analysis of the data collected, should be reported to the Committee.

15 The Committee is further invited to agree that it will need to be considered if the outcomes of the data analysis should continue to be submitted to the Committee after Phase 3 has started, in order to monitor the effectiveness of any measures that are agreed and implemented.

16 The co-sponsors have identified the following possibilities as to who could conduct Phase 2 – the Committee (or the PPR Sub-Committee), an external contractor or the IMO Secretariat. In this regard, it is considered vital that the option chosen should facilitate the robustness and independence of the work to be undertaken in Phase 2 (see paragraph 5 above) and maintain the confidentiality of the data collected and submitted in accordance with Phase 1 of the process. In this regard, it is noted that paragraph 2.3 of document MEPC 71/17 states (text is underlined by the co-sponsors):

"2.3 The Committee noted, in particular, that the Council had:

.1 ...

.2 endorsed the request of MEPC 70 for additional human resources in the Secretariat to develop and maintain the IMO Ship Fuel Oil Consumption Database and produce an annual report for the Committee summarizing the data collected, the status of missing data, and such other information as may be requested by the Committee; and

..."

17 Based on paragraphs 5 to 16 above, the co-sponsors consider that the methodology for conducting the data analysis needs to be developed and agreed by the Committee as a priority, and completed no later than spring 2020 (in effect MEPC 75). Consequently, the Committee is urged to commence its detailed consideration of the Phase 2 methodology no later than MEPC 74, based on submissions to that session.

Action requested of the Committee

18 The Committee is invited to consider the foregoing and take action as appropriate.
