

Brief on the outcome of
IMO's MEPC 70
(Marine Environment Protection Committee
24-28 Oct. 2016 meeting)

GHG (Green House Gas Emissions)

IMO MEPC 70 agreed:

- **At present:** the **Adoption of Data Collection System, Approval of Roadmap, Voluntary** data collection and submission to begin
- **Regular Intersessional meetings** to be established (starting pre-MEPC 71) discussing the **IMO Strategy** on GHG emissions from ships
- **Spring 2018:** an **initial IMO Strategy** to be adopted (subject to revision based on collection of emissions data; not engaging for any future measures)
- **January 2019:** start of **Phase 1 of 3-step approach:** Data collection
- **Autumn 2020:** start of **Phase 2 of 3-step approach:** Data analysis / also Publication of a **4th IMO GHG Study**
- **Spring 2022:** **Phase 3 of 3-step approach:** Decision step
- **Spring 2023:** **Revised IMO Strategy** on GHG emissions from ships to be adopted, with any short-/mid-/long-term measures as required

INTERCARGO's main interventions during discussions, in its consultative role:

- Expressed its **concerns about relying on (latest) 3rd IMO GHG study**, rather than emissions data to be collected (this is quite reflected in decisions)
- Proposed that the **industry should be given time to collect sufficient data** (by accordingly adapting some of above dates) before deciding on any measures
- Brought to attention the **Principles** listed in our **joint industry submission (MEPC 70/7/8)** for any measures to be adopted, among other points developed therein
- Expressed its opposition to referring to a **CBDR** principle (Common but Differentiated Responsibilities) proposed by several Member States; CBDR was removed from the above roadmap / text
- Argued that **Step 3 itself would need some time**

Other Comments:

- **Landmark decisions sending a strong message from IMO to all directions**
- An ambitious timeline for the industry, but with provisions that no pre-mature measures will be agreed and that any final measures to be taken will rely on previously collected data
- Reference to concepts/principles outside the IMO way/framework were avoided
- But many of such issues / challenges for the industry will be brought again on the table during upcoming discussions for shaping the IMO strategy in the 2023 horizon

IMO MEPC 70 agreed:

- To **adopt the revised G8 Type Approval Guidelines** developed in the previous weeks intersessional group
- That these guidelines should be used from adoption and that all new Type Approvals from **28 October 2018** should be in accordance with the new requirements
- Ballast water systems installed on ships after **28 October 2020** should be Type Approved under the new system.
- A **D-5 review will be carried out** to determine the above dates remain achievable.
- It was also surprisingly agreed to mandate the revised Guidelines by changing the guidance to **an IMO Code**; this is to be carried out by the Secretariat for approval at MEPC 71

Furthermore;

- There was **extended discussion on the implementation proposals of both Liberia and WSC**. There was a greater support for accepting such an arrangement than against, but not considered enough to change as support was various for one or the other of the two proposals consequently;
- It was agreed that the **draft amendments to Regulation B-3 of the BWM Convention** that had already been provisionally agreed would not be circulated for adoption and two alternative texts for the amendment would be considered during MEPC 71.
- **The alternative text** to be put forward essentially would not require ships whose IOPP certificate fell due prior to **08 September 2019** (two years after Entry into Force of the Convention) to fit BWMS until the second IOPP Renewal, ships with an IOPP renewal date after **08 September 2019** would be required to maintain the first renewal date for fitting of BWMS.

INTERCARGO's intervention/discussion:

- INTERCARGO was heavily involved in both the intersessional and MEPC discussions and contributed to the more positive outcomes.

Other Comments:

- The provisional agreement not to require ships to fit BWMS until at least **08 September 2019** will not be finalised until MEPC 71 and this outcome is not certain. What is certain is the tie-in with the IOPP Renewal and the acceptance that shipowners have the opportunity to renew this certificate prior to the Conventions Entry into Force, essentially giving the possibility of a 5 year leeway. The decision will be made during MEPC 71 (08 to 12 May 2017) whether or not the **2019** date will be accepted. We would therefore recommend that for those **ships that have an IOPP Renewal falling between 08 September 2017 and 08 September 2019** await the outcome of MEPC 71 prior to making any renewal decision.

CONSIDERATION OF EEDI REDUCTION RATES AND DATES

IMO MEPC 70 agreed:

- That **current EEDI Phase 2 requirements** should remain unchanged.
- To start a **review of EEDI Phase 3 requirements** and its early implementation (**2022**) and the **possible development of a Phase 4**.

INTERCARGO's intervention/discussion:

- During the Plenary and Working Group sessions, INTERCARGO reasoned that **the Bulk Carrier fleet was the sector having the greatest challenge meeting Phase 2 requirements**, as evidenced in the study and therefore the current EEDI timelines and reduction factors should be maintained

Other Comments

- Though the majority supported a more stringent approach to EEDI requirements (i.e. early implementation of Phase 3) **a significant number of participants also acknowledged** that certain ship types may have difficulties achieving any early implementation of Phase 3.
- **INTERCARGO's position** will continue to be that for the Bulk Carrier Fleet, current EEDI reduction rates, reference lines and time periods should remain unchanged.

FUEL OIL AVAILABILITY

IMO MEPC 70 agreed:

- That as per MARPOL Annex VI Regulation 14.1.3 the sulphur content of any fuel used onboard ships shall **not exceed 0.5%** with 0.1% in SECAs on or after **01 January 2020**.
- It should be noted that the Committee agreed there were both **safety and regional supply concerns** together with the need for a smooth implementation that will be further discussed at the forthcoming PPR 4 meeting.

INTERCARGO's intervention/discussion:

- INTERCARGO's intervention based on solid arguments raised **safety concerns regarding the quality** of the fuel oil that will be available after implementation of regulation 14.1.3.

DATA COLLECTION

IMO MEPC 70 agreed:

- That from **01 Jan 2019** each ship of 5,000 GT and above will be required to collect **ship fuel oil consumption data** and subsequently report this data to the Administration at the end of each calendar year; On or before **31 December 2018** the **SEEMP** on these ships shall include a description of the methodology that will be used to the data.
- To adopt 2016 Guidelines for the Development of a Ship Energy Efficiency Management Plan (**SEEMP**).
- A correspondence group on "**data collection system for fuel consumption**" will be re-established (INTERCARGO to take part).

MINIMUM POWER

- Discussions regarding the **Minimum Power Requirements** were put on hold until MEPC 71.

DRAFT AMENDMENTS TO MARPOL ANNEX V

IMO MEPC 70 agreed:

- To adopt amendments to MARPOL Annex V that will make it mandatory for **shippers to declare whether a cargo is deemed HME or not** and will Enter into Force on **01 March 2018**.
- To amend the form of the **garbage record book** to specifically identify bulk cargo residues as either HME or non-HME.

INTERCARGO's intervention/discussion:

- INTERCARGO intervened on the capacity building aspects of this new regulation informing of the continued lack of shore reception facilities and consequently the assessment was changed to recognise the need for additional work.