

Note: Since the questionnaire of the public consultation is not sufficient for Japan to clearly express its view, Japan left some of the multiple-choice format blank. Instead, Japan submits its comments on alignment of EU MRV and IMO DCS in this document.

* Annex to this documents provides Japan's comment on the questionnaire format of the public consultation.

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Government of Japan

Japan's comments on alignment of EU MRV to IMO DCS

1 Global efforts toward GHG emissions reduction from ships

1.1 Japan believes that GHG emissions reduction is one of the most urgent tasks in the international shipping, which should be effectively addressed in a global manner. IMO has aggressively challenged and addressed it during this decade without any differentiation amongst the member states. For example, in 2011, the IMO adopted mandatory EEDI regulation to improve energy efficiency of new ships. It has already started from 2013, well ahead of other industry sectors, and was decided in the regulations to be further strengthened every five years toward 2025.

1.2 In October 2016, IMO adopted the Data Collection System (DCS) to enhance operational energy efficiency. By July 2017, all guidelines for implementation of DCS has been developed. Therefore, all ships over 5,000 GT engaged in international voyage are now required to start collecting and reporting their annual operational data including the amount of fuel consumption to the IMO through the Flag States from January 2019. It will reveal the fuel consumption of the world fleet and support making global decisions on further measures to reduce GHG emissions for international shipping.

1.3 In order to further enhance GHG emissions reduction measures in a global manner, IMO is currently working toward development of "Comprehensive IMO Strategy on the reduction of GHG emissions from ships" with a target of adoption in April 2018, to which EU is expected to make significant contribution in the development process. Along with the fuel consumption data through DCS, IMO will be able to establish new

GHG emissions reduction frameworks such as the global market based measures. Japan is willing to strongly contribute to such efforts in IMO in collaboration with EU and its member states.

2 Regional vs global

2.1 Any measures to address globally-concerned environmental issues in the international shipping, including GHG emissions reduction should be dealt on a uniform and global basis. Regional framework will not only distort the market but also allow carbon leakage and cannot achieve significant reductions of global GHG emissions. Under such understanding, it has been agreed at the UNFCCC that limitation or reduction of GHG emissions from international shipping shall be pursued through IMO. The challenges currently being dealt with at a global level in IMO should not be undermined.

2.2 In addition, in a case where both global and regional measures are placed in parallel, the shipping industry will be required to comply with double standards on the single objective. Such situation with unreasonable burden on the industry should be prevented for the sustainable development of international shipping.

3 Request to EU and its member states

3.1 Japan believes that if focus were placed on the development of the global scheme working through IMO in lieu of the regional scheme within EU, IMO will be able to develop more robust regime, including global market based measures, and achieve significant success for GHG emissions reduction in the international shipping.

3.2 Bearing the above points in mind, Japan urges the EU and its Member States to amend the EU MRV Regulation to ensure full alignment with the IMO DCS no later than the end of 2018, and to collaborate with Japan and other IMO member states in developing global GHG emission reduction measures.

Annex

Japan's comments on the questionnaire format

.1 The European Commission (EC) states in its website that the objective of this public consultation is to ensure that all relevant parties are given the opportunity to express their opinions on the review process currently undertaken by EC in view of aligning the EU MRV with the IMO DCS. Therefore, Japan understands that any ambiguity or unintended misinterpretation should be avoided from the respondents' inputs to the public consultation.

.2 However, having observed the questionnaire, Japan finds it quite biased and misleading. Only few questions clearly focus on the alignment of EU MRV and IMO DCS, which is the main topic of this public consultation. On the other hand, most of the questions are led by descriptions arguing how the current EU MRV contributes to GHG emissions reduction in a transparent and effective way, and consequently asking the respondents' views on the importance of GHG emission reduction and energy efficiency improvement. Such a structure of questionnaire makes it difficult to accurately grasp the respondents' views on the alignment, and even mislead the respondents to prefer the current stand-alone EU MRV.

.3 In addition, for the respondents including Japan who wish to contribute to GHG emissions reduction effectively through global framework under IMO DCS without unilateral EU MRV, it is quite difficult to express their critical views on this topic under the current questionnaire. Given the multiple-choice format with biased leading descriptions, marking a choice favorable to GHG emissions reduction may be regarded as supporting the current EU MRV (no alignment).

.4 Therefore, Japan urges EU to abandon such leading questions and reopen the public consultation process with new questionnaire directly asking the respondents' view on the alignment of EU MRV with IMO DCS. Otherwise, Japan cannot affirm the result of this public consultation as the genuine views of the relevant parties.