



## **Response to hearing on the EU consultation on the revision of the policy on monitoring, reporting and verification of CO<sub>2</sub> emissions from maritime transport (the MRV Regulation)**

Danish Shipping fully supported the development and implementation of the EU MRV Regulation and the IMO Data Collection System (IMO DCS). Robust and accurate data is fundamental for the development of a global market based measure that will reduce CO<sub>2</sub> emissions from the shipping sector.

Until now studies used in the strategic reduction discussions have been relying on estimated emissions calculated based on the global annual fuel consumptions. To bring this to a new level the data collection has to be carried out in a sufficient detail, so it can provide a solid foundation for a global CO<sub>2</sub> emissions discussion and target setting as well as the further development of appropriate measures to reduce CO<sub>2</sub> emissions.

The Paris Agreement ambition will require the shipping sector to reduce its total emissions to zero towards the end this century, which will be a huge challenge. In 2016, Danish Shipping initiated a study on CO<sub>2</sub> emissions from shipping, which was submitted to IMO under the title "A scientific study on possible reduction targets and their associated pathways" (MEPC 71/INF.35). The study inter alia concludes that some ship types can improve energy efficiency with up to 15%, by use of technical measures, but also that significant changes needs to be implemented if a 50% total reduction target shall be met by 2050. Basically it will not be possible to meet the future transport demand and reduce the CO<sub>2</sub> emissions as required without the introduction of CO<sub>2</sub> neutral alternative fuel types.

Danish Shipping recalls and emphasises that the purpose of the EU MRV Regulation is to contribute directly and indirectly to reducing CO<sub>2</sub> emissions from ships by raising awareness of fuel consumption.

However, Danish Shipping considers reduction of CO<sub>2</sub> emissions from ships as a truly global issue. Therefore it is important that the collection of data is managed by IMO as the global regulatory body of the shipping sector.

Danish Shipping supports the development in IMO where the legal framework for the global data collection system has been completed. Furthermore, we welcome the adoption of the guidelines on data verification and database management. Danish Shipping highly appreciates that the Commission is taking the development at IMO into account and now reviews the EU MRV Regulation in order to align it with the IMO Data Collection System.

### **Harmonisation of the two systems**

Danish Shipping recognises that the IMO DCS is not identical to the EU MRV Regulation and that there are some differences in how for instance transport work is calculated and the degree of data transparency. We support a full alignment and harmonisation of the two systems. It should be one system with



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global regulatory uniformity in order to minimise the administrative burdens for shipping companies and authorities.

## Transport work

Danish Shipping supports that the transport work calculation is based on the actual cargo carried and therefore the definition in the EU MRV Regulation should be maintained.

## Verification

Danish Shipping finds the requirements for verification outlined in the MRV Regulation appropriate. It is in particular important that all eligible organisations should be able to conduct the verification, in order to prevent the development of a monopoly.

## Transparency

Danish Shipping does not find transparency as the most important issue to ensure success of the MRV Regulation. Therefore the IMO DCS approach, i.e. flag states reports data to IMO without publication, will be sufficient to achieve the goal of a global CO<sub>2</sub> data collection.

With reference to page 11 in the commission consultation, we prioritize the elements which could be adjusted in the MRV Regulation to align it with the IMO DCS in the following order – where 1 is the area where we agree in a change to the MRV Regulation and 5 is the area which should not be changed.

1. Level of transparency
2. Monitoring & reporting processes including templates
3. Scope (ships, voyages and activities covered)
4. Verification (requirements to be maintained)
5. Parameters to be monitored (requirements to be maintained)

Kind regards

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