

**Circular 105 / 2015****To: Vessel Owners, Managers, Deputy Registrars, and Other Interested Parties****Subject: European Union Approves CO2 Monitoring, Reporting and Verification Regulation****Date: 22 June 2015****Summary**

This Circular applies to all Vessels over 5000GT trading in EU ports except:

- Fishing vessels
- Warships
- Naval auxiliaries
- Wooden ships of primitive build
- Ships not propelled by mechanical means, and
- Government ships used for non-commercial purposes.

Maritime Cook Islands would like to inform that on the 28<sup>th</sup> of April 2015, the European Council approved a new shipping regulation on the monitoring, reporting and verification (MRV) of CO2 emissions, as part of its overall strategy to reduce greenhouse gas emissions by 2050. By mandating the collection and public reporting of CO2 emissions data the European Commission (EC) is taking a first step towards setting reduction targets.

The following requirements will apply:

**1. Monitoring**

From 31 August, 2017, all vessels over 5,000gt trading to, from and between ports in the jurisdiction of EU member states will be required to carry on board a CO2 monitoring plan that has been reviewed by a third party verifier.

This plan must contain:

- Vessel and company details
- Details of emission sources
- Procedures for plan updates
- Procedures for monitoring voyage times and distances
- Procedures for monitoring time spent in port/at anchor
- Procedures for monitoring fuel consumption, including: the monitoring method used; details of measuring instruments and data management; and the density calculation method
- Emissions factors used for each type of fuel

- Procedures for monitoring and recording cargo and passenger levels for each voyage.

Monitoring will be on a per-voyage basis, and data will be aggregated into an annual emissions report.

The first reporting period requiring monitoring will be 1 January 2018, to 31 December 2018.

## **2. Verification**

Once monitoring is completed, data collected in accordance with the monitoring plan will require verification by an approved third party.

Once the verification process is successfully completed, the vessel will be issued a Document of Compliance, which will need to be kept on board for inspection.

The penalties for failing to carry a Document of Compliance include vessel detention and the issue of an Expulsion Order that prohibits entry into EU ports.

## **3. Reporting**

From 2019, verified annual reports must be submitted to the EU Commission and the flag authority for each vessel by 30 April each year.

These reports will consist of:

- Vessel and company details
- EEDI or EIV **[1]** information (as applicable)
- Monitoring methods used
- Results of the annual monitoring

The Commission will make this information publicly available by 30 June each year.

## **Further information**

MRV is likely to present a number of new challenges for ship owners/operators. These may include difficulty in understanding the regulatory requirements and difficulty in practically implementing the requirements in a cost effective manner, such as the development of monitoring plans, processes and capability. In addition, another concern may be about the commercial impact of publishing ship efficiency data.

### **What to do**

Maritime Cook Islands shipowners and operators are encouraged to contact a recognized organization for assistance in preparing for compliance with the MRV regulation.

**[1]** EEDI is the Energy Efficiency Design Index. EIV is the Estimated Index Value (for ships for which the EEDI is not mandatory).

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