
Maritime Carbon Compliance

Are you ready for mandatory CO₂ emissions reporting?



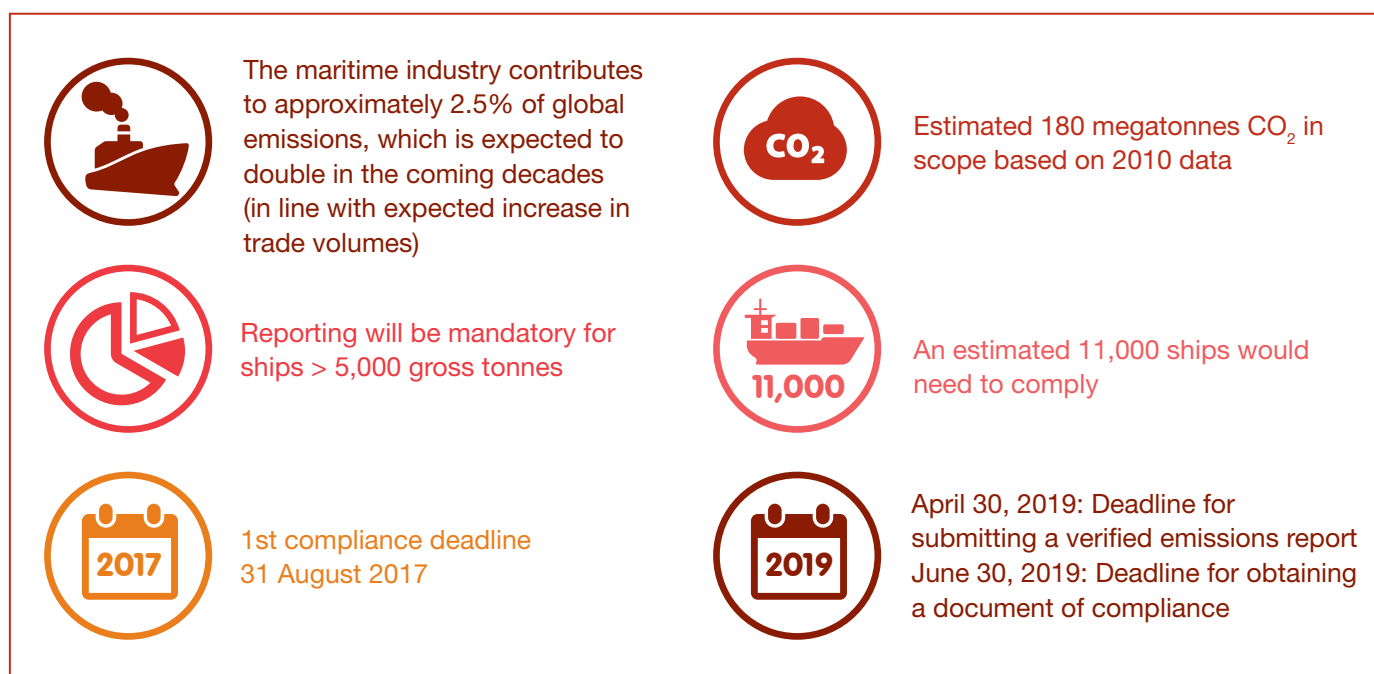
Background

Following the largest emitters in stationary installations and aviation, maritime is the next sector in line to be affected by the EU regulations on greenhouse gas (GHG) emissions. With its flagship EU Emissions Trading System (EU ETS), the EU has been regulating emissions and successfully enforcing emissions reduction through a cap and trade system since 2005.

Just like aviation, maritime is a global sector and therefore a global system to regulate emissions is the preferred solution. While the international discussions for a global system continue - for example with the International Maritime Organization (IMO) - the EU has taken a proactive approach and decided to implement a mandatory Monitoring, Reporting and Verification (MRV) system for the maritime sector as of 2018, although initial requirements will take effect as early as 2017.

What's going to change?

Starting July 2019, ships arriving at, within or departing from a port under the jurisdiction of a Member State, and which have carried out voyages during 2018, need to carry a valid document of compliance (DOC) on board. A DOC will be issued by an accredited verifier when the ship's Annual Emissions Report outlining the emissions data from voyages has been verified and found to be free from material misstatements and in accordance with the ship's monitoring plan. This plan will also need to be assessed for compliance with EU legislation.



PwC Involvement

PwC's purpose is building trust in society and helping our clients and society with business challenges and their preparations for the future. At the moment, PwC is supporting the European Commission in detailing the design of the MRV system for the maritime sector. The final requirements will be published in summer 2016. PwC has been asked to support the European Commission in finetuning the requirements, because of our extended knowledge and experience in MRV regulation.

PwC has the right team of sustainability experts on the developing MRV regulations combined with hands-on experience and specialised tools tailored to the shipping industry to assess your existing monitoring and reporting processes in order to address the challenges imposed by the new Regulation and help companies reduce the risk of non-compliance.

Through PwC's Maritime Sustainability Centre you can gain access to tools and systems that have been developed specifically to support ship-owners monitor numerous Key Performance Indicators (KPI's) with respect to their vessels operations and to improve their fleet's energy performance, reducing the fuel costs and associated carbon emissions.

We can help to build and increase confidence to your stakeholders by validating, interpreting and benchmarking your fleet data drawing important conclusions regarding performance and energy efficiency.

The MRV Timeline

1 July 2015

EU Regulation on the MRV of CO₂ emissions from maritime transport came into force.

2016 - 2017

Understanding & Preparation Phase for shipping companies.

Jan 1, 2018 – Dec 31, 2018

Start of first monitoring and reporting cycle.

June 30, 2019

Ships arriving at, within or departing from a port under the jurisdiction of a Member State, and which have carried out voyages during 2018, shall carry on board a valid document of compliance.

2016

Further development of monitoring methodologies and rules for accreditation and verification (delegated acts).

August 31, 2017

Companies shall submit to the verifiers a monitoring plan for each of their ships reporting CO₂ emissions and other relevant information.

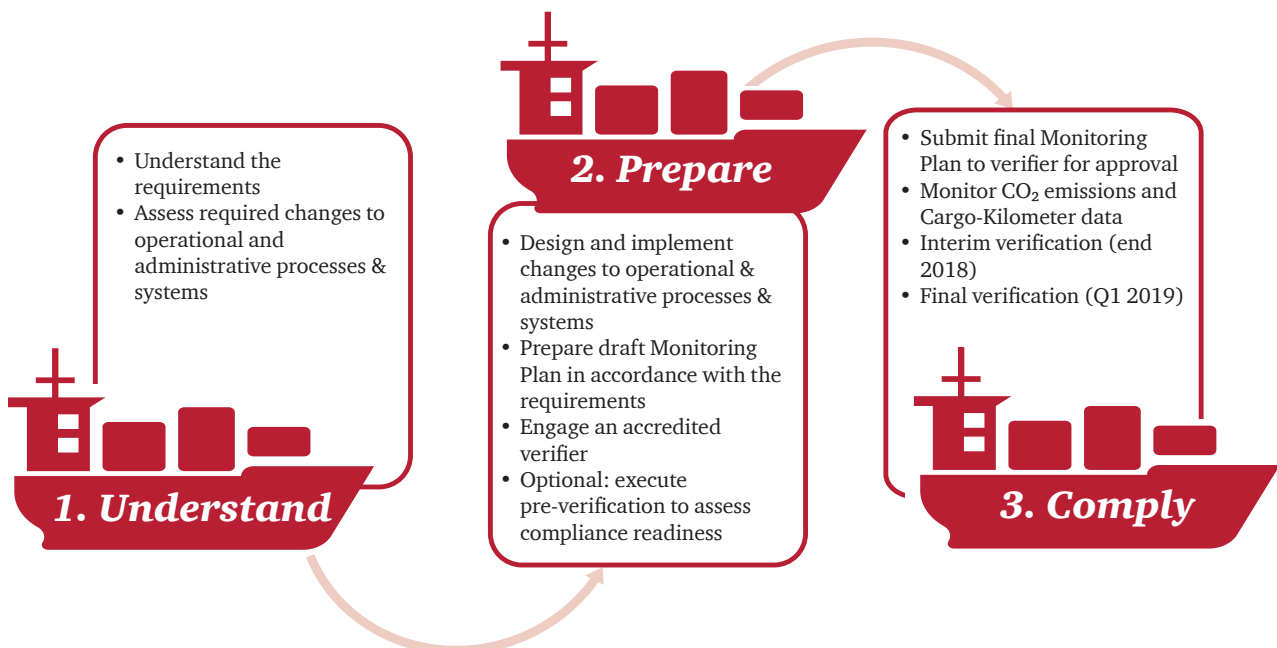
April 30, 2019

Deadline for submitting a verified emissions report.

Annual submission of a verified emissions report by 30 April of each year.

How can shipping companies prepare?

Complying with these new regulations has implications for shipping companies with vessels > 5,000 gross tonnes from an operational, administrative and financial perspective. We have visualised the voyage to compliance for shipping companies in the figure below.



How can PwC help?

PwC can help you in a variety of ways. The table below summarises the main challenges shipping companies are likely to face in the process towards compliance. Please refer to the overview of key contacts below in case you have specific challenges you would like to discuss.

Your challenge	Our solution
Understanding the requirements	PwC, advisor to the EU Commission on the implementation of the MRV regulation, can assist you in building a thorough understanding of the requirements. We can help you prepare for compliance by sharing our deep understanding of the MRV regulations in workshops or seminars. Our experience across all industry sectors, as well as our knowledge and experience with similar schemes will benefit you, as we understand the pitfalls and commonly made mistakes.
Identification of required changes to your processes	We help you in identifying required changes to operational and administrative processes & systems, and advise on a sustainable and cost-efficient implementation.
Design and implementation	PwC's Global Knowledge Center on Maritime Transport combines all knowledge and experience of cross-functional and industry professionals covering all the key areas of the maritime transport sector. We can provide support in the design and implementation of your MRV management & control system, in identifying relevant risk areas and assessing the conformity with the MRV Regulation.
Are we ready for compliance	We can assess your compliance readiness and provide you with the feedback you need to complete the first verification successfully. By performing pre-verification procedures we can identify any areas where compliance with the MRV rules and requirements may need attention.
Need for an accredited verifier	PwC has vast experience in similar verifications in aviation and stationary installations, and can provide an approval of your Monitoring Plan and the verification of your Annual Emissions Reporting.

Contact information

For more information, please contact one of our maritime sector specialists in your region:

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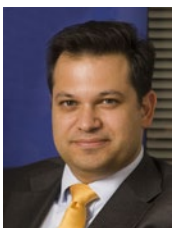
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