

## Verifavia weighs up monitoring vessel compliance in SECAs

Verifavia CEO Julien Dufour says the data it collects for the EU Monitoring, Reporting and Verification (MRV) regulation and International Maritime Organization's (IMO) Data Collection System (DCS) could be used to assist in monitoring compliance of vessels operating in sulphur emission control areas (SECA).

**Now that the deadline for submission of the EU MRV monitoring plans has passed, what is next on the agenda for Verifavia?**

The next thing for Verifavia is to continue with MRV. Companies had until 31 August [2017] to submit their plans, though this was not a hard deadline. In fact, companies were able to submit their plans several months before the deadline. The vast majority have already submitted their plans.

MRV was a first-of-a-kind regulation. It was the first time shipping companies had to deal with independent verifiers. I think most shipping companies have fulfilled their obligations by submitting their monitoring plans – maybe not 100% but perhaps 80%-90% of shipping companies worldwide.

**What are the next steps needed to be taken by shipowners and operators?**

From 1 January 2018 until 31 December 2018, companies have to implement the plan and start collecting the data for all voyages that fall under the scope of the regulation, according to the procedures and systems laid out in their assessed monitoring plan. In Q1 2019, they must aggregate their per voyage data and prepare an emissions report that needs to be independently verified by accredited verifiers. The deadline for the successful completion of the verification is 30 April 2019.

The next step is the issuance of the document of compliance, which certifies that the ship is in compliance with the regulation. The deadline for this is the 30 June 2019. In other words, from 30 June 2019, the document of compliance must be carried by each vessel that exceeds 5,000 GT and trades in EU ports.

**What would you say were the main highlights for Verifavia during 2017?**

It's been a huge challenge that has taken a massive amount of effort to get into this highly competitive market over the last six months. We've achieved circa 1,545 ships, which is around 10%-12% of the global market and around 60%-70% of the independent market, with the exception of classification societies. We were the first independent verifier to be authorised by the Liberian Registry for the DCS; we are currently in discussions with several other flag States and hope to announce a new authorisation in the coming weeks. The

plan is to be authorised by most, if not all, major flag States in the world. We also independently certified 20+ IT solutions for EU MRV compliance and received accreditation to perform independent verification of ships for the Clean Shipping Index (CSI).

**What are the main differences between the EU MRV regulation and the IMO's Data Collection System?**

DCS is very similar to EU MRV. It is also a data collection system to collect fuel, distance, and hours travelled for ships exceeding 5,000 GT on all voyages worldwide. The main difference between MRV and DCS is that MRV is a regional scheme that affects only ships that call at EU ports, while DCS covers all ships worldwide. The two systems are being implemented with a one-year gap. MRV came into force in 2015, the first monitoring period will be in 2018 and the first verification season will be in 2019. The first monitoring period for DCS will be 2019 and the first verification season will be in 2020. In 2017, shipping companies had to prepare MRV monitoring plans and have them assessed by an independently accredited verifier. For the DCS, in 2018, shipping companies will have to prepare a data collection plan that will be integrated into an updated Ship Energy Efficiency Management Plan (SEEMP) that will also need to be assessed before the end of 2018 just before the start of the first monitoring period on 1 January 2019.

The other key difference is that the data from the MRV will be made available on a public database, so anyone – journalists, stakeholders, shipping companies, charterers – will be able to type in an IMO number and retrieve the relevant data. With the DCS, the data will be made publicly available but anonymously. It will only be used for statistical purposes. Nobody will be able to identify the IMO number of a ship.

**How do you see the two systems working together?**

We expect the two systems to run in parallel over the next few years, but we also expect that one day, the two will be aligned and a global system will take over the regional system. The ultimate objective of any MRV system is not just to collect the data, but to use this data to design and implement a market-based measure to tackle emissions from the sector. There are measures which can be an offsetting scheme, emissions trading scheme, or an environmental tax.

**How useful could this data be in helping to enforce SECA regulations?**

We've certainly given this some thought. About



a year ago, we considered putting together some kind of a SECA verification process; the idea being that we would use the data collected from MRV to confirm that the ship is in compliance with SECA. However, we haven't really pursued this as we have been heavily focused on MRV, but so we will probably look into this later on in the year.

To enforce the SECA regulation, the port States need to ensure that the ship, when entering the SECA, changes to a low sulphur fuel at the right time and that they continue to use low sulphur fuel. They need to ensure that the low sulphur fuel is the right type of low sulphur fuel and the concentration of sulphur oxides (SOx) doesn't exceed the level. Compliance is difficult to check. I suppose there are two ways to approach it: to look at the procedures and ensure the ship has followed the changeover procedure at the right time and that the specific fuel used is in compliance with the requirement; or to measure the percentage of SOx in the exhaust gas.

The first approach is something we can probably do something about as verifiers. We are in discussion with the ship and we know the type of fuel they use and how much they burn. We also know which emission source is actually burning a specific type of fuel. By tweaking the process, we may be able to check that the ship is complying with the SECA regulation.

**What other information will you have that could assist in monitoring SOx emissions?**

We have information about the voyages, so we should be able to know fairly easily if a ship is in a SECA area or not. We could estimate when it was supposed to enter the SECA area with AIS data and check the ship's log book to ensure the changeover was correct. We may also have access to the bunker delivery note, which includes the sulphur content and the outcome of the laboratory analysis which also includes sulphur content. ■