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**FURTHER DEVELOPMENT OF THE
LIFE CYCLE GHG ASSESSMENT (LCA) FRAMEWORK**

**Proposal for a sustainable fuels certification framework in the context of the
IMO LCA Guidelines and the development of the mid-term measures**

Submitted by Brazil, ICS, IPIECA, RINA, WSC and SGMF

SUMMARY

Executive summary: This document provides a concrete proposal on how to address the development of specific certification elements that will enable certification schemes to operate under the purview of the IMO LCA Guidelines, especially with respect to the implementation of the technical and economic elements under the IMO net-zero framework. For this, it is important to include a definition of "certification" in existing regulations and guidelines, and to develop a new set of guidelines and regulations as appropriate, outlining criteria and procedures for recognizing certification schemes and on the reporting of certification activities. The co-sponsors also propose a tentative timeline for this work and invite further proposals addressing the necessary technical and scientific issues and providing guidance on how to develop its contents.

*Strategic direction,
if applicable:* 3

Output: 3.2

Action to be taken: Paragraph 33

Related documents: Resolution MEPC.391(81); ISWG-GHG 16/3, ISWG-GHG 16/3/1 and ISWG-GHG 16/3/5

Introduction

1 This document presents a proposal for the Organization to develop a certification framework that will facilitate the implementation of future regulatory instruments to promote marine transition away from fossil energy.

2 MEPC 81 agreed to continue working on the topic of certification of fuels as part of the work carried out by the Organization leading to the LCA Guidelines. Specifically, a GESAMP Working Group on Life-Cycle GHG Intensity of Marine Fuels (GESAMP-LCA WG) was established, with "Methodological requirements of the LCA Guidelines with regard to certification" being one of its terms of reference to work on.

3 RINA submitted document ISWG-GHG 16/3/1 (RINA), in which the role of certification framework in the development and enforcement of the mid-term measures was outlined with a series of certification elements to be developed by the Organization. Document ISWG-GHG 16/3/1 was submitted to provide clarity on the role of certification as mentioned in the *2024 Guidelines on life cycle GHG intensity of marine fuels (2024 LCA Guidelines)* (resolution MEPC.391(81)) sections 11 and 12. In addition, document ISWG 16/3/5 (Brazil) outlined the need to develop a certification framework with a proposed set of guiding principles. Lastly, in document ISWG-GHG 16/3/3 (Brazil), the results of a study under the Future Fuels and Technology project (FFT Project) also covered the certification topic and concluded on the need to commence the further technical work required to develop sustainable marine fuel standards.

4 This document invites the Organization to consider the development of certification elements critical to the Organization's work on this important matter, considering the suggestions already outlined in documents ISWG-GHG 16/3 (Secretariat), ISWG-GHG 16/3/1 and ISWG 16/3/5. This document is the result of an ongoing cooperation between RINA and Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping (MMMCZCS).

5 During the elaboration of this document, the International Sustainability and Carbon Certification (ISCC) and the Roundtable on Sustainable Biomaterials (RSB) were consulted due to their expertise in international and regional certification frameworks. To be recognized as certification schemes by the certification framework proposed in this document, both will have to submit their applications individually, with each one being subject to the criteria and procedure to be agreed upon.

Overview of key elements to be developed

6 As outlined in document ISWG-GHG 16/3/1, certification schemes are well-known instruments already operational under international and regional certification frameworks. Document ISWG-GHG 16/3/1 presented that the ways of working of various certification procedures are similar, where the regulating bodies establish a series of rules and requirements to be followed for compliance and eligibility to provide clarity on how the certification schemes operate under their purview.

7 This document provides a proposal on key elements to be further developed in order to have a framework that certification schemes can follow, to operate under the purview of the the Organization and respecting the LCA calculation as defined by the 2024 LCA Guidelines. These elements can be split into three blocks, each to be developed during the upcoming sessions of the Committee, leading to a "Certification Framework".

8 As the Organization aims to approve MARPOL amendments for the mid-term measures by MEPC 83, the first block aims to ensure that references to certification schemes are inserted in the context of chapter 5, especially regarding the mid-term measures regulations to be developed (chapter 5 of MARPOL Annex VI on the possible IMO net-zero framework). For this, it is important to include a definition of certification in MARPOL regulations. The timeline of development of these elements should be aligned with the mid-term measures.

9 The second block relates to the need to develop a new set of guidelines as already referred to in the 2024 LCA Guidelines. These new guidelines should provide guidance on the criteria and procedures for recognition of certification schemes by the Organization and reporting of certification activities to the Organization by recognized certification schemes. These elements need to be implemented latest by MEPC 85 in 2026.

10 Another set of new guidelines to be developed, not covered by this proposal, would focus on providing guidance on (i) how certification schemes would verify the sustainability of fuels according to the sustainability criteria defined in the 2024 LCA Guidelines, (ii) how to certify the individual parts of the Fuel Lifecycle Label (FLL), and (iii) how to report emissions to administrations. The first item is expected to be discussed by GESAMP-LCA WG, i.e. "refine and further explore indicators and metrics under the sustainability themes/aspects in the LCA Guidelines". The second would provide guidance on how to certify emissions that occur during the entire fuel supply chain, including bunkering and use on board ships. The third could follow practices already done in monitoring, reporting and verification (MRV) which are performed by accreditation bodies and reported to administrations, amended with specific requirements as needed by the usage of sustainable marine fuels.

11 The third block relates to updating the existing IMO guidelines (such as SEEMP, IMO DCS, and LCA Guidelines) in order to ensure a consistent reference to certification in different IMO regulatory texts. These elements need to be implemented latest by MEPC 85 in 2026.

12 In the 2023 IMO GHG Strategy, IMO agreed to have the mid-term measures come into force by 2027 (figure 1). As the Organization progresses in defining these measures, it is of high importance that the Organization also progresses apace in matters related to certification. A tentative timeline is proposed below (figure 1) for the development of (i) amendments to mandatory regulations to include reference to the need for certification and (ii) guidelines setting eligibility criteria for certification schemes to be recognized by the Organization and setting reporting requirements for the eligible certification schemes.

13 A timeline for the development of these different elements is provided below.

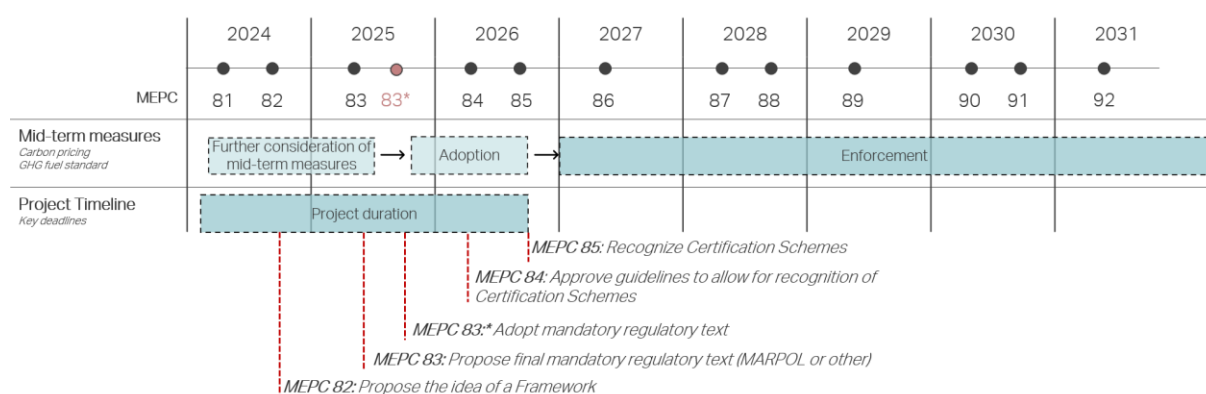


Figure 1: Proposed timeline for the development of amendments to mandatory regulations and guidelines for certification schemes recognition and operation

Certification reference in MARPOL Annex VI mandatory text

14 Chapter 5 of the possible IMO net-zero framework in MARPOL Annex VI proposes, among other elements, new regulations for the mid-term measures. In this chapter, it is important to ensure a reference to the need for certifying fuels as per the 2024 LCA Guidelines based on the FLL:

- .1 "Fuels used shall demonstrate their lifecycle performance following the guidelines agreed by the Organization (LCA Guidelines)"; and/or
- .2 "The lifecycle performance of a fuel/energy shall be based on a Fuel Life Cycle Label certified and verified by recognized certification schemes¹, as defined by the guidelines agreed by the Organization".

15 The reference to certification schemes in paragraph 14 needs to be complemented by the inclusion of a specific definition in regulation 2 of MARPOL Annex VI for certification schemes. The terminology could be aligned with the language used in part IV of the 2024 LCA Guidelines: "A certification scheme means the Organization's recognized certification schemes as per the lifecycle guidelines developed by the Organization*, published in [circular letter to Member States]". Note that the term circular letter is left in brackets, so as not to pre-empt a decision on the way by which the Organization will communicate the list of recognized schemes.

16 The IMO net-zero framework indicates the need to update regulation 27 of chapter 4 of MARPOL Annex VI, relating to data collection. As the Organization will transition to regulations requiring a demonstration of the well-to-wake (WtW) performance of fuels, there will be a need to verify proof of the performance and to report it to the Organization. The 2024 LCA Guidelines defines a tool for this purpose, which is the FLL. This should be the base document of the certification process and act as proof by regulated entities that the fuels used meet the requirements specified by any agreed set of regulations.

Development of certification guidelines

17 The 2024 LCA Guidelines refers to the need to develop a number of guidelines to support the certification and verification of the FLL. Some references are as follows:

- .1 Paragraph 11.1 states, "When used as evidence for performances, the FLL needs to be verified and certified by a third party, taking into account further guidance to be developed by the Organization", referring to a guidance on how verification and certification will be conducted;
- .2 Paragraph 12.2 states, "The certification schemes/standards used for the purposes specified in Paragraph 12.1 above should be recognized by the Committee, taking into account guidance to be developed by the Organization. The list of recognized certification schemes/standards should be publicly available and kept under review", referring to guidance to be developed by the Organization on how it will recognize certification schemes/standards; and
- .3 Paragraph 12.3 states, "Proposals to recognize international certification schemes/standards should be submitted to the Committee for consideration, including an assessment of a set of predetermined criteria which will be

* Resolution MEPC.391 (81) on the *2024 Guidelines on life cycle ghg intensity of marine fuels (2024 LCA Guidelines)*

further developed for this purpose", thus making the criteria to be developed by the Organization to serve as guidance to schemes that are applying for official recognition.

18 As per paragraph 12.2 of the 2024 LCA Guidelines, the Organization is to develop guidance to recognize certification schemes/standards. Further, in paragraph 12.3, the guidelines state that criteria for the assessment of schemes are to be developed.

19 The Organization is then set to develop these guidelines and we can identify at least two different ones that need to be developed:

- .1 first set of guidelines: guidelines on criteria and procedures for the recognition of certification schemes; and
- .2 second set of guidelines: guidelines on the reporting of certification activities to the Organization by certification schemes.

20 The purpose of the first set of guidelines is to provide a list of items that certification schemes can use as a reference when documenting their capabilities to deliver work as per IMO requirements. In annex 1 to this document, the co-sponsors provide a draft table of contents of these guidelines. In practice, a certification scheme that wishes to be recognized by the Organization would need to provide evidence for each of the elements as described therein. Candidate certification schemes would then be evaluated by the Committee based on documents provided by them.

21 The requirements described in annex 1 to this document are quite standard to the operation of certification schemes. It involves detailing requirements for documentation, audits, transparency, stakeholder engagement, and GHG reporting for both certification schemes and economic operators, including traceability and transmission of information in the supply chain.

22 The purpose of the second set of guidelines is to ensure that whatever type or batch of fuels reported as consumed by a shipping company (the operator) has been duly certified for the same or lower quantities (because fuels may be consumed in a reporting year different than the one in which they were certified) by a certification scheme recognized by the Organization. This is to avoid any double accounting and to allow for the Organization and Member States to verify that all sustainable fuels reported by ships have indeed passed through the process of certification via the recognized certification schemes by the Organization. Such a process would facilitate the identification of fraudulent activities and allow the Organization and Member States to track back from the supply chain of the reported fuel consumption. This principle is already applied by other international and regional regulation bodies.

23 These would also encompass a template of the level of data that is to be submitted to the Organization by the certification schemes, allowing the Organization to ensure that these are performing their activities as initially expected by the Organization according to their application process. A proposal for a draft table of contents for these guidelines is provided in annex 2 to this document.

Update of other regulatory texts

24 The inclusion of the mid-term measures will require the review of several MARPOL regulations, as already indicated by the agreed possible outline of the IMO net-zero framework. Some of these amendments were discussed in paragraphs 12 to 14. However, many of these MARPOL regulations rely on guidelines. Therefore, when amending the SEEMP or IMO DCS MARPOL regulations, it is also necessary to update the related guidelines.

- 25 A non-exhaustive list of examples of guidelines that will require amendments are:
- .1 Resolution MEPC.388(81) on the amendments to the *2022 Guidelines for the development of a Ship Energy Efficiency Management Plan (SEEMP)*, which amends resolution MEPC.346(78), needs to be amended to include additional information such as the FLL and any other entries as required by the technical and economic elements of the IMO net-zero framework. Specifically, SEEMP Part II is to be revised, i.e. sections 6 through 8; and
 - .2 Resolution MEPC.389(81) on the amendments to the *2022 Guidelines for Administration verification of ship fuel oil consumption*, which amends resolution MEPC.348(78), needs to be amended to include additional information such as the FLL and any other entries as required by the technical element as part of the scope of verification by the ship administration for the purposes of compliance with the regulations to be defined in the IMO net-zero framework.

26 In addition, the 2024 LCA Guidelines refers intermittently to both certification and verification, implying that these would be equivalent. Verification is already a terminology used by the Organization, referring to the need to verify the data as collected by ship operators and reported to the administration. This is a step that will continue to be necessary, i.e. a verification of the lifecycle performance of fuels purchased by shipowners who are seeking compliance with any future IMO instrument. This is different from certification, which, in the context of the 2024 LCA Guidelines, refers rather to the process that ensures that the fuel supplied to ships complies with the environmental requirements defined therein.

Replicating work of other bodies

27 Certification schemes addressing sustainable fuels have been developed and are operating under other international bodies.

28 Therefore, the co-sponsors invite the Organization to examine relevant work undertaken in other regulating bodies to seek guidance on how to develop the content and the framework of the new guidelines and regulations as appropriate. Member States and international organizations may make use of experts that have experience in this subject in other regulatory bodies with a view to replicate those learnings in the IMO context.

Recommendations

29 The Working Group is invited to consider and recommend to the Committee to progress with the development of an IMO certification framework addressing the following matters:

- .1 The need to reference certification schemes appropriately in the MARPOL amendments under discussion by the Committee in the development of the mid-term measures and existing guidelines, see paragraphs 14 to 16 of this document;
- .2 Develop guidelines and regulations as appropriate, on criteria and procedures for the recognition of certification schemes taking into account annex 1 to this document, inviting Member States and international organizations to provide contributions on this topic; and
- .3 Develop guidelines on the reporting of certification activities to the Organization by certification schemes taking into account annex 2 to this document, inviting Member States and international organizations to provide contributions on this topic.

30 The Working Group is also invited to recommend to the Committee a way forward to obtain technical and scientific guidance in view of developing the content outlined in annexes 1 and 2 to this document.

31 The Working Group is invited to recommend to the Committee to invite Member States to provide further proposals on how to develop the framework as proposed in paragraph 29.

32 Paragraph 10 highlights the need to develop additional guidelines related to sustainability criteria and how certification schemes would operate within the relevant regulations and guidelines. The Working Group is invited to take note of this need and take action as appropriate, e.g. invite Member States and international organizations to contribute to this topic.

Action requested of the Working Group

33 The Group is invited to consider the information and recommendations provided in this document, especially the proposed way forward contained in paragraphs 29 to 32 and take action as appropriate.

ANNEX 1

GUIDELINES ON CRITERIA AND PROCEDURES FOR THE RECOGNITION OF CERTIFICATION SCHEMES

1 INTRODUCTION

2 DEFINITIONS

3 REQUIREMENTS FOR CERTIFICATION SCHEMES

Documentation management

Audit competencies

Non-compliance with certification requirements

Monitoring and system review

Transparency

Annual reports

Risk management plan

Accreditation of Certification Bodies

Stakeholder engagement

Complaint procedure

Transparency on GHG reporting and accounting

4 REQUIREMENTS SET BY CERTIFICATION SCHEMES ON ECONOMIC OPERATORS

Documentation management

Transparency on participation in other Certification Schemes by economic operators

IMO LCA Guidelines Certification Requirements

Traceability - Chain of custody models (e.g. mass balancing and book and claim) (1) System Documentation (2) Operation (3) Timeframe (4)

5 TRACEABILITY REQUIREMENTS SET BY CERTIFICATION SCHEMES ON ECONOMIC OPERATORS

Transmission of information in the supply chain

6 INFORMATION TRANSMISSION REQUIREMENTS SET BY CERTIFICATION SCHEMES ON ECONOMIC OPERATORS

7 REQUIREMENTS SET BY CERTIFICATION SCHEMES ON CERTIFICATION BODIES

Accreditation and Auditing Standards

Audits

Transfer from one Certification Scheme to another

Certificate Issuance

Auditor Competencies

Establishment of level of assurance

8 APPLICATION PROCESS

9 DISSEMINATION OF CERTIFICATION SCHEMES

ANNEX 2

GUIDELINES ON THE REPORTING OF CERTIFICATION ACTIVITIES TO THE ORGANIZATION BY CERTIFICATION SCHEMES

1 INTRODUCTION

2 DEFINITIONS

3 GENERAL INFORMATION FIELDS

List of audits of economic operators executed during the reporting year

Certification body assurance

Accreditation body assurance

Public location (e.g. webpage link) of information on the Certification Schemes

Certification Bodies and robustness of the scheme

List of system documents updated within the reporting year

4 INFORMATION ON EACH IMO-CERTIFIED ECONOMIC OPERATOR THROUGHOUT THE SUPPLY CHAIN FOR THE REPORTING YEAR

Economic operator's information

Product certified for each IMO-certified economic operator throughout the supply chain

Batch information of certified IMO Sustainable Fuel

5 TEMPLATES
