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MEPC.1/Circ.885  
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**PROCEDURE FOR ASSESSING IMPACTS ON STATES  
OF CANDIDATE MEASURES**

1 The Marine Environment Protection Committee, at its seventy-fourth session (13 to 17 May 2019) approved the *Procedure for assessing impacts on States of candidate measures*, as set out in the annex.

2 Member Governments and international organizations are invited to apply the annexed *Procedure for assessing impacts on States of candidate measures*.

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## ANNEX

### PROCEDURE FOR ASSESSING IMPACTS ON STATES OF CANDIDATE MEASURES

#### Background and objectives

1 In April 2018, MEPC 72 adopted resolution MEPC.304(72) on the *Initial IMO Strategy on reduction of GHG emissions from ships* (the Initial Strategy). The Initial Strategy lists a series of candidate short-, mid- and long-term measures. As outlined in the Initial Strategy, the impacts on States of a measure should be assessed and taken into account as appropriate before adoption of the measure. Particular attention should be paid to the needs of developing countries, especially small island developing States (SIDS) and least developed countries (LDCs). Disproportionately negative impacts should be assessed and addressed, as appropriate.

2 This procedure for assessing impacts on States of candidate measures identifies steps, specifies what should be included in the different steps in the procedure, and the respective roles of the proponent of a measure and of the Committee, without prejudging the substance of any future impact assessment.

3 The duration of the impact assessment procedure may range from one to four meetings depending on the level of assessment required and consideration of a measure by the Committee before approval.

4 The Committee should review this procedure by 2023, in conjunction with the adoption of the Revised Strategy.

#### Procedure

5 Impact assessment should be simple, inclusive, transparent, flexible, evidence-based and measure-specific. The comprehensiveness of any impact assessment should be commensurate to the complexity and nature of the proposed measure. Impact assessment should be undertaken in parallel with the consideration and development of a candidate measure. There are up to four steps in the procedure:

- .1 Step 1: initial impact assessment, to be submitted as part of the initial proposal to the Committee for candidate measures\*;
- .2 Step 2: submission of commenting document(s), if any;
- .3 Step 3: comprehensive response, if requested by commenting document(s); and
- .4 Step 4: comprehensive impact assessment, if required by the Committee.

6 A proponent of a measure should submit an initial impact assessment at a minimum. However, the proponent may submit a more detailed impact assessment in the first instance, taking into account the elements listed in paragraph 15.

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\* Proponent(s) of the measure should abide to a 13-week submission deadline, as set out in paragraph 6.12.3 of the Committees' Methods of work (MSC-MEPC.1/Circ.5/Rev.1).

**Step 1: initial impact assessment**

7 Once the consideration of a measure is initiated, the Committee should consider the initial impact assessment submitted as part of the candidate measure proposal.

8 The initial impact assessment should pay particular attention to the needs of developing countries, especially SIDS and LDCs and, inter alia:

- .1 indicate if the proposal for the measure provides a description of impacts on ships and emissions;
- .2 identify which impacts should be assessed, taking into account, as appropriate, inter alia (1) geographic remoteness of and connectivity to main markets; (2) cargo value and type; (3) transport dependency; (4) transport costs; (5) food security; (6) disaster response; (7) cost-effectiveness; and (8) socio-economic progress and development;
- .3 indicate both positive and negative potential impacts;
- .4 analyse the extent of the impacts (e.g. by quantifying them and relating them to normal variations in transport costs, trade or GDP); and
- .5 assess whether the measure is likely to result in disproportionately negative impacts and, if so, how they could be addressed (e.g. avoided, remedied, mitigated), as appropriate.

9 The initial impact assessment should indicate the methodological tools and data sources used, and may indicate the limitations of the analysis.

**Step 2: submission of commenting document(s), if any**

10 Member States may comment on the initial impact assessment to request clarification and/or additional information.

11 Commenting document(s) should be submitted at the latest to the meeting following on from the one where a proposal has been made.

12 Any interested Member State or international organization may submit additional information and/or a separate impact assessment, as appropriate, of a proposed measure or group of measures.

**Step 3: comprehensive response, if requested by commenting document(s)**

13 At the following meeting at the latest, the proponent(s) of the measure or any interested Member State or international organization should provide a comprehensive response to the commenting document(s).

**Step 4: comprehensive impact assessment, if required by the Committee**

14 If the Committee so decides, a comprehensive impact assessment should be initiated, taking into account the issues identified in previous steps, including the commenting documents. If no commenting document(s) have been submitted, the Committee should consider the initial impact assessment and determine whether a comprehensive impact assessment is required and, if so, how it would be conducted.

15 The comprehensive impact assessment should pay particular attention to the needs of developing countries, especially SIDS and LDCs and include, inter alia:

- .1 a description of the assumptions and methods used in the analysis;
- .2 a detailed qualitative and/or quantitative assessment of specific negative impacts on States; and
- .3 an assessment of whether the measure is likely to result in disproportionately negative impacts and, if so, recommendations on how they could be addressed (e.g. avoided, remedied, mitigated), as appropriate.

16 The Committee should consider the comprehensive impact assessment, in order to inform further consideration of the proposed measure, and take action as appropriate.

17 Once the impact assessment is completed, and disproportionately negative impacts assessed and addressed, as appropriate, the measure may be considered for adoption.

#### **Analysis tools, models and support in undertaking the impact assessment**

18 Impact assessment should be evidence-based and should take into account, as appropriate, analysis tools and models, inter alia, as follows:

- .1 cost-effectiveness analysis tools such as maritime transport cost models, trade flows models, impact on Gross Domestic Product (GDP);
- .2 updated Marginal Abatement Cost Curves (MACCs); and
- .3 economic trade models, transport models and combined trade-transport models.

19 Some Member States such as LDCs and SIDS may require assistance for the collection of data and analysis of potential impacts.

#### **Review of the impacts, upon request**

20 Once a measure is adopted and enacted, the Committee should keep its implementation and impacts under review, upon request of Member States, so that any necessary adjustments may be made.

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