Every country in the world has to count its emissions so that global commitments to fight climate change can be kept. Now efforts are underway to ensure that this particular brand of accountancy is as accurate and effective as it can be.

Governments have to keep tabs on how much greenhouse gas is pumped into the atmosphere but so do companies, which might be on the verge of discovering that good emissions reporting is actually good for business too.
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Climate targets only function if countries, cities and companies report their emissions accurately. A new project hopes to show how this reporting should be done, but building trust looks set to play a huge part in overcoming the challenge.

In order to gauge emissions reduction progress, emitters have to declare how much greenhouse gas they are pumping out. At the international level, that process has provoked disagreement, particularly at the UN’s annual climate summits.

At company and sectoral level, emissions accounting is patchy due to a lack of harmonised practices and standards, as well as lack of experience in actually doing it. Logistics experts maintain though that there is huge untapped potential.

A new scheme, the LEARN project, hopes to improve how things are done by offering support to participating companies, developing training courses and engaging a network where best practices can be shared.

During a stocktake last week of the first two years of the project’s operation, research scientist Igor Davydenko said one of its aims is to convince people that “what you are monitoring and reporting is actually correct”.

Accuracy is one thing but it is a challenging task because of the difficulty of reporting emissions, which often involves complex datasets. Davydenko added that this creates a very steep learning curve that can be off-putting.

International Road Transport Union (IRU) adviser Marc Billet warned though that “building trust within the logistics chain” will be needed.

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and sharing data will be impossible without it.

He explained that data-sharing cooperation is still in its infancy and that information like vehicle weight and volume, crucial to calculating emissions, often has to come directly from shippers and that the margins of error are sometimes significant.

Billet added that drivers will have to be trained on how to access the “magnificent data vaults” that they pilot, as currently there is generally no way to use the information directly.

He concluded that the largest challenge will be to change mindsets and make processes like carbon footprinting standard practice by convincing carriers that it is a benefit to their businesses, not a burden or just a cost.

**GAINING GROUND**

Expert speakers at the event were keen to show that proper emissions counting creates an opportunity to cut those very emissions, by clearly identifying where losses are made and where there is room for improvement.

One case study based around better planning in road and maritime shipping showed that nearly all alternative routes chosen yielded fewer emissions, by increasing efficiency.

Logistics expert Professor Alan McKinnon warned that predicted massive growth in freight and lack of progress in cutting emissions to date means that there is real urgency about bringing the sector to heel.

He cited an OECD report which estimates that, even if all global transport cuts are implemented, sector CO2 levels in 2030 would still be the same as in 2015, despite the need to drastically decrease them.

The Scottish academic explained that there is an over-reliance on technological and energy supply changes, which means potential in tweaks to management systems, eco-driver training and design changes remain largely untapped.

Professor McKinnon also suggested that because of current emission trends and lack of willingness from the sector to take carbon budgeting seriously, consideration should be given to restricting the growth of freight movement.

**ACCOUNTANCY IN ACTION**

Shipping remains one of the most difficult sectors from which to collect emissions data, given its large-scale and international dimension. However, the European Commission announced on 2 February that it will revise EU rules on monitoring, reporting and verification (MRV).

It is a reaction to the International Maritime Organisation’s own system and the Commission aims to make the EU’s MRV harmonised with the UN agency’s.

Magda Kopczynska, a top official at the EU executive’s transport directorate, told the LEARN event that reporting systems “have to be recognised by everyone. There doesn’t necessarily have to be just one scheme but there must be interoperability and comparability.”

She added that global emissions reporting is better than regional systems, partly because it prevents the relocation of emitting industries outside of a system’s jurisdiction, which is known as carbon leakage.

The updated MRV is meant to show shippers which vessels are the cleanest, but also give port operators the option to see which ships are producing the most air pollution.

Faig Abbasov, a shipping expert with clean mobility NGO Transport & Environment, said that “without accurate data collection, reduction measures won’t be worth the paper they are written on”.

The EU MRV, together with the IMO’s global system, will help the UN agency identify how an ambitious pledge to cut emissions by 50% by 2050 can actually be delivered.
Transport is widely accepted as a very difficult sector to decarbonise but one of the leading experts on all things freight and transport explained to EURACTIV.com how and why it needs to be done.

Alan McKinnon is a professor of logistics at Kühne Logistics University, Hamburg.

What are the specific challenges for the logistics sector?

It’s generally acknowledged that logistics is going to be an extremely hard sector to decarbonise for three reasons basically. One is because all...
the forecasts suggest that the amount of freight is going to increase hugely in the coming decades. It’s also a sector that is very heavily dependent on fossil fuels. And the third thing is that it’s also a sector which is highly fragmented composed of lots and lots of small trucking companies for example. And so getting the message across to them on the need to achieve deep carbon reductions is quite a challenge.

**Is there reason to be hopeful though?**

One of the encouraging aspects of the subject is that there are many things that organisations can do to cut carbon emissions from your logistics operations. One thing they can do is just try to rationalise systems and reduce the amount of freight transport. They can also try to move as much freight as possible by lower carbon transport modes like rail and water. They can try to use their assets better by filling the vehicles. They can improve the energy efficiency of their operations in various ways and then finally they can switch across into lower carbon energy sources away from fossil fuels. And if you factor all of those things together I think we have a reasonable prospect that we’ll be able to achieve deep reductions in emissions from logistics.

**How does this all relate to climate change and investment?**

It’s estimated that logistics accounts for around 10% of energy-related CO2 emissions worldwide. So it’s a significant contribution to climate change. There are various targets for reducing that figure. We are building up our knowledge on how we should be doing this in a way that’s cost-effective. Clearly, we want to focus on those measures which don’t require too much investment. But there are still, unfortunately, a lot of uncertainties about the right decarbonisation pathways that we should be following for particular transport modes like road freight. We’re not sure to what extent we should rely on biofuels as opposed to hydrogen as opposed to batteries. So there are still research challenges there to be to be met before we get a good understanding of how we should be decarbonising logistics.

**Where do we start though? How do we actually decarbonise the sector?**

Before we can decarbonise logistics we have to have a good understanding of where the emissions are actually coming from and where the hotspots are and where we should be focusing our attention. An early stage in the process is to quantify the emissions and a big contribution that LEARN is making as a project is improving our capability to measure emissions. And also to train companies and organisations how they should be doing these calculations as well, also identifying areas that are in need of future research to build up an understanding of where the emissions come from.

**How pressing is the need for action?**

I think one of the important points that companies have to grasp when they’re decarbonising the logistics is the urgency with which they will have to do it. The climate science now suggests that we’ll have to achieve deep reductions in emissions worldwide but in a very short time scale. Unfortunately, many companies are still preoccupied, understandably, with shorter term commercial goals. So the issue really is how we impress upon the current generation of managers that they have a once in a generation opportunity to achieve these deep reductions so that we don’t suffer excessive climate change.
Global logistic emissions are a point of concern, as climate experts warn that failure to bring the sector to heel means the goals of the Paris Agreement will remain out of reach.

EURACTIV talked to Sophie Punte, the executive director of Smart Freight Centre, a global non-profit organisation looking into decarbonising freight by working with multinationals and their partners.