

MARINE ENVIRONMENT PROTECTION
COMMITTEE
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Agenda item 7

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REDUCTION OF GHG EMISSIONS FROM SHIPS

Moving forward on "fair share" discussions

Submitted by the Clean Shipping Coalition

SUMMARY

Executive summary: In this submission, the Clean Shipping Coalition welcomes the widespread engagement of IMO Member States in the discussions surrounding the determination of the sector's "fair share" contribution to tackling climate change and meeting the objectives of the Paris Agreement. In particular we are encouraged to see how the various submissions under this agenda item, while sometimes differing in tone and emphasis, nonetheless support the general need for a work plan and strategy to address ship GHG emissions. Notwithstanding concerns about the level of urgency and ambition shown by some, the Clean Shipping Coalition believes this provides a strong basis for moving forward on the issue at MEPC 70.

Strategic direction: 7.3

High-level action: 7.3.2

Output: 7.3.2.1

Action to be taken: Paragraph 11

Related documents: MEPC 70/7/3, MEPC 70/7/4, MEPC 70/7/5, MEPC 70/7/6, MEPC 70/7/7 and MEPC 70/7/8

Introduction

1 This document is submitted in accordance with the provisions of paragraph 6.12.5 of the *Guidelines on the organization and method of work of the Maritime Safety Committee and the Maritime Environment Protection Committee and their subsidiary bodies* (MSC-MEPC.1/Circ.4/Rev.4) and provides comments on documents MEPC 70/7/3, MEPC 70/7/4, MEPC 70/7/5, MEPC 70/7/6, MEPC 70/7/7 and MEPC 70/7/8.

Moving forward

2 Building on the Marshall Islands initiative at MEPC 68 calling for the identification of a long-term objective for tackling ship GHG emissions, and on further support at MEPC 69 for the identification of shipping's "fair share" contribution to tackling climate change, as well as industry's very welcome proposal for an Intended IMO Determined Contribution, the Clean Shipping Coalition believes that the widespread Member State engagement on the issue in the run-up to MEPC 70 provides the basis for a substantive discussion of the issues at MEPC 70.

3 Perhaps the most important element of this engagement is the general acceptance that IMO must rise to the challenge set by the Paris Agreement. Coming on the back of recent industry acceptance of the need to decarbonise the shipping sector, this constitutes a serious and valuable statement of intent to make sure that emissions from international shipping do not derail wider efforts to keep warming below 1.5°C. It must be kept at the front of all of our minds as we plan the IMO's future work and plot the industry's future course.

4 We are also pleased to see so much emphasis put on the potential of the shipping industry to improve its energy efficiency. Recent large improvements in the design efficiency of ships, triggered by market factors as well as the EEDI and achieved without resort to novel technologies or widespread speed reduction, indicate that significant untapped potential exists. This is a strong argument for making sure that future EEDI requirements are fit for purpose and genuinely driving innovation and technological development. IMO needs to deliver an EEDI that is fit for purpose and that makes a credible contribution to the demands of the Paris Agreement.

5 In their submissions Member States are also, quite rightly, placing emphasis on the importance of data for scientific, evidence-based decision making about shipping's future regulation. The Clean Shipping Coalition could not agree more and it is one of the reasons why we have been so keen to ensure that the right data is available. However, to assist with this, the Data Collection System (DCS) currently being considered by this Committee will need further work. In particular the use of a proxy for transport work is a fundamental flaw that will prevent the DCS from properly contributing to the analysis of future potential measures to promote the energy efficiency of ships. Without the inclusion of transport work the DCS will also fail to provide the data necessary to identify trends in maritime trade.

6 There also appears to be agreement on the need for a road map or work plan for future IMO work on GHG emissions from ships. With many questions to answer, regulatory options to consider and principles to take into account it makes sense to plan carefully so that work can be undertaken logically and methodically. There is also a welcome acknowledgement of the importance of revisiting issues in the light of new evidence and thinking, and of having a long-term strategy. What is also clear though is that the work load will be substantial and the Clean Shipping Coalition believes that IMO will need to significantly enhance the resources available if this work is to be undertaken properly and in a timely manner, which it must if the important interaction of IMO with the UNFCCC stocktake dialogue (as referred to in document MEPC 70/7/6) is to take place. In the first instance, appropriate priority and time needs to be allocated at MEPC 70 for a working group on fair shares to properly discuss the submissions and draw conclusions as to the way forward. Sufficient time then needs to be allocated intersessionally and at future meetings to advance these issues.

Some concerns

7 While welcoming the engagement of a wide group of Member States and the many positive and shared priorities that have been identified, the Clean Shipping Coalition nonetheless also has some concerns arising from these recent submissions.

8 The first relates to the level of ambition and in particular the suggestion by some Member States that it is sufficient to focus on improvements in energy efficiency. As already noted above, the Clean Shipping Coalition is keen to tighten the EEDI requirements so that they improve the energy efficiency of the fleet to the greatest extent possible, but the Paris Agreement goal of limited warming to 1.5-2°C is what must guide our work and that is rooted in climate science, not what is technically feasible based on today's technology. As the shipping industry has acknowledged, the Paris Agreement means that shipping must decarbonise in the longer term. It is no good limiting our horizons to what is viewed as technically feasible today. Instead IMO must develop a process for identifying objectives, measures and timelines (and for reviewing these) that keeps the focus firmly on what is needed in the longer term and does not set the sector off on a false trajectory that would cause it more harm in the long-term.

9 The Clean Shipping Coalition is also concerned at the lack of urgency shown in some of the Member States comments. The Paris Agreement objective of limiting warming to 1.5-2°C implies a fixed carbon budget and requires emissions to peak as soon as possible. One can debate what share of that carbon budget belongs to shipping, but the amount will be finite, and the longer the industry delays further measures the steeper the emission cuts will have to be to keep within the budget. To act early is to give the industry as smooth a landing as possible. The later action is taken, and some are suggesting that no new measures are agreed or even discussed for 10 years, the harder it will be for the industry to adjust. Any analysis of the consequences of dangerous climate change shows that missing the Paris Agreement's ultimate target of temperature stabilisation well below 2°C is not an option.

Conclusion

10 The Clean Shipping Coalition would like to congratulate Member States for their recognition of the importance of the Paris Agreement and its relevance for what happens next to tackle GHG emissions from international shipping. We would also applaud what now appears to be a general agreement on the need for a work plan, timetable and larger strategy to tackle GHG emissions from international shipping. This provides a firm basis for making progress at MEPC 70, but for the process to succeed some Member States will have to dig deeper and align their ambition and level of urgency with the requirements of the Paris Agreement, climate science, and the imperative of avoiding warming greater than 1.5°C.

Action requested of the Committee

11 The Committee is requested to consider the comments above and to decide as appropriate.