

MARINE ENVIRONMENT PROTECTION
COMMITTEE
69th session
Agenda item 7

MEPC 69/7/3
26 February 2016
Original: ENGLISH

REDUCTION OF GHG EMISSIONS FROM SHIPS

An appropriate IMO response to the Paris Agreement

Submitted by the Clean Shipping Coalition (CSC)

SUMMARY

Executive summary: This document identifies four key areas in which progress is needed at MEPC 69 if the IMO is to remain relevant and respond in an appropriate and timely manner to Paris: agreement on a work plan to identify shipping's fair share of GHG emission reductions, continuation of work leading to revised phase 2 EEDI requirements, agreement to advance consideration of measures for existing ships including MBMs and adoption of a transparent global MRV system.

Strategic direction: 7.3

High-level action: 7.3.2

Output: 7.3.2.1

Action to be taken: Paragraph 13

Related documents: MEPC 68/4/11; MEPC 69/5/5, MEPC 69/5/9, MEPC 69/6, MEPC 69/6/2, MEPC 69/6/5, MEPC 69/7, MEPC 69/7/1 and MEPC 69/7/2

Introduction

1 This document is submitted in accordance with the provisions of paragraph 6.12.5 of the *Guidelines on the organisation and method of work of the Maritime Safety Committee and the Marine Environment Protection Committee and their subsidiary bodies* (MSC-MEPC.1/Circ.4/Rev.4) and provides comments on documents MEPC 69/5/5, MEPC 69/6 and MEPC 69/7/2.

2 Parties to the Paris Agreement emphasized the urgent need for measures to hold "the increase in the global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels", and they committed to "aim to reach global peaking of greenhouse gas emissions as soon as possible" and "to undertake rapid reductions thereafter".

The Paris Agreement: a breakthrough in climate policy

3 For the International Chamber of Shipping (ICS) "the message from the UNFCCC Conference (COP 21) and the Paris Agreement is clear. All sectors of the global economy are now expected to determine how they can reach peak CO₂ emissions as soon as possible before eventually decarbonising completely" and it agrees "that international shipping must play its full part in contributing to this objective"¹.

4 The IMO has said that there "is a clear imperative now for IMO's Member States to rise to the challenge set by the Paris Agreement" with former Secretary-General Koji Sekimizu saying, "I now encourage Governments to bring the spirit of the Paris Agreement to IMO"². The Secretary-General of the United Nations, Ban Ki-moon, has highlighted "the major role that IMO and the maritime sector has to play in translating... the Paris Agreement on climate change into tangible improvements in peoples' lives"³.

5 The stakes are high and the rhetoric supportive. An appropriate response from IMO is now essential and below we outline four areas where MEPC 69 can show that the IMO is responding to the call for action.

Shipping's fair share

6 The Clean Shipping Coalition welcomes Member State (MEPC 69/7/2) and shipping industry (MEPC 69/7/1) recognition of the need for ship GHG emission reductions to contribute towards keeping global warming "well below" 2 degrees Celsius. This is the first and most important task that the IMO can follow through on if it is to respond properly to the urgency of purpose that parties signed up to in Paris. Full recognition of the scale of the decarbonisation challenge ahead and an expeditious work plan agreed at MEPC 69 will show the world, civil society, and those which are considering regional measures, that IMO is engaged and responding to the call from Paris. Such a move would also be an entirely appropriate response to the Marshall Islands' call for target setting at MEPC 68 (MEPC 68/5/1), and the MEPC Chairman's conclusion that the issue be returned to at an appropriate future time. The identification of fair share targets is important so that appropriate reduction measures can be drawn up and implemented, and so that the industry can plan for the future. The significance of decarbonising by the second half of the century for an industry that builds and operates ships with a 25 year lifespan is clear. The IMO must embrace the call to decarbonise and make sure that appropriate incentives are in place to do so.

Global MRV

7 The establishment of a global system of MRV for shipping CO₂ emissions is an important first step, and calls by Member States and industry to move quickly to finalise this work is timely. However the necessary transparency that civil society and the users of shipping services called for in document MEPC 68/4/11, and that is provided for in the regional EU system, is an essential element that remains missing from the IMO's version. Also missing is the requirement to collect real data, and not proxies, on cargo and transport work so we can understand the trends and drivers of trends.

8 The level of secrecy of MRV data called for by many delegations at the recent Intersessional Meeting of the Working Group on further technical and operational measures for enhancing energy efficiency, even within the confines of the IMO itself, risks seriously damaging the IMO's credibility. A lack of transparency will continue distorting competition in

¹ MEPC 69/7/1.

² <http://www.imo.org/en/MediaCentre/PressBriefings/Pages/55-paris-agreement.aspx>

³ <http://www.imo.org/en/MediaCentre/PressBriefings/Pages/04-UNSG-visit-.aspx>

the market, rendering preferential access to information and splitting the stakeholders into data "haves" and "have-nots". Aside from hindering the creation of an efficient and proper functioning market in shipping services, such secrecy will inevitably raise questions about the credibility of any conclusions purportedly drawn from the data, and rightly prompt the outside world to question what industry is trying to hide and whether the IMO's regulatory role risks being compromised. If the purpose of collecting MRV data is to promote a more efficient sector, then transparency is a *sine qua non*.

EEDI phase 2 requirements

9 The IMO is justly proud of its achievement of creating the EEDI for new ships, but this achievement is in danger of turning into an irrelevance. As pointed out in document MEPC 69/5/9, the Chair of the Correspondence Group currently reviewing the EEDI is recommending in its conclusions that phase 2 requirements remain unchanged despite the fact that a large proportion of recently built ships is already meeting the requirements 4-5 years early and doing so while leaving a number of important measures for reducing EEDI largely or entirely untapped. Agreeing to revisit the phase 2 stringencies to lock in emissions gains and ensure that best practice becomes the norm is a feasible and obvious response to the Paris Agreement and to the need for IMO to shift up a gear in its fight to tackle the climate impacts of shipping. Transparent, ambitious and enforceable future efficiency targets will lower operating costs, improve competitiveness, and they go to the heart of breaking down the barriers to better efficiency that so bedevil the sector.

Measures for existing ships

10 If it was not obvious before, the Paris Agreement has made it strikingly clear that urgent action is required to rein in GHG emissions globally and in particular to see that emissions peak as soon as possible. This is important for the shipping industry; whatever the end result of an IMO process to determine shipping's fair share of future emissions, that share will be finite and the longer the peak in ship emissions is delayed, the steeper and more painful the subsequent emission reductions will be.

11 This raises a question as to the appropriateness of the currently envisaged three-step process timetable, whereby consideration of measures only takes place after data collected from the global MRV system has been analysed. The Third IMO Greenhouse Gas Study 2014 projects large future increases in ship GHG emissions and new data is not required in order to decide on the necessity for, or to start work on, new measures. This should proceed as soon as possible, build on previous work and run in parallel with further data collection (and work on identifying shipping's fair share of emissions). Any final decision on the implementation of new measures will, in any case, inevitably be taken only after the fair share work has been completed and the MRV data is flowing. This approach properly recognises the urgency of the task that has been handed to the global community, including the IMO, at Paris.

Conclusion

12 The Paris Agreement has described the scale and urgency of the climate change problem, given a global community context to the issue of ship GHG emissions, and made it clear that all actors and sources of emissions must play a part in mitigation efforts. The decisions that MEPC 69 takes on these issues will be a "litmus test" of the IMO and its Member States' determination to play a meaningful role in the fight against climate change.

Action requested of the Committee

13 The Committee is invited to take note of the information provided in this document and to take the necessary decisions to progress work in these four areas.