

TO	:	Pacific diplomatic missions
DATE	:	10 October 2016
SUBJECT	:	<b>Pre-MEPC 70 briefing on shipping emissions</b>

### Purpose

1. To provide a briefing to Pacific diplomatic missions in preparation for the 70<sup>th</sup> Session of the Marine Environment Protection Committee (MEPC 70) of the International Maritime Organization (IMO), convening in London, United Kingdom from 24–28 October 2016. The brief: (i) brings attention to the proposals submitted to MEPC 70 in order to progress discussions on reduction of greenhouse gas (GHG) emissions from the international shipping sector; and (ii) puts forth recommendations for the consideration of Pacific Island governments.

### Background

2. The Pacific Islands Development Forum (PIDF) has been providing regular updates to Pacific diplomatic missions and other stakeholders on MEPC's work in the area of shipping emissions. The previous PIDF briefing papers provide a comprehensive background to the issue.
3. Despite overwhelming support for the initiative on setting GHG reduction objectives that was led by the Marshall Islands, Solomon Islands, Germany, France, Belgium and Morocco at MEPC 69 (in April 2016), the proposals put forth were not adopted but neither were they rejected in total. MEPC 69 took a consensus-based decision to establish a working group for more in-depth discussion on the topic at MEPC 70 and invited interested states and parties to submit further proposals/papers for consideration. Please see Briefing Paper 5/2016 for further information on the MEPC 69 debate.

### MEPC 70 proposals on the reduction of GHG emissions from international shipping

4. A total of 12 papers have been submitted for consideration of MEPC 70 under agenda item 7 (Reduction of GHG emissions from Ships) related to the discussion on GHG reduction objectives. These include:
  - (i) MEPC 70/7/3 – GHG emissions reduction target of international shipping based on energy efficiency (by Japan);
  - (ii) MEPC 70/7/4 – Proposal on how to progress on the contribution of international shipping to GHG emissions reduction efforts (by Angola, Brazil, Bolivia, China, Ecuador, India, Iran, South Africa and Uruguay);
  - (iii) MEPC 70/7/5 – Developing a long-term strategy to address greenhouse gas emissions from international shipping (by Norway and the United States);
  - (iv) MEPC 70/7/6 – International shipping's share in international efforts to limit the rise of global average temperature – further clarifications (by Antigua and Barbuda, Belgium, Côte d'Ivoire, Denmark, France, Germany, the Marshall Islands, Monaco, Morocco, Solomon Islands and Tonga);
  - (v) MEPC 70/7/7 – A work plan with a timetable for implementing the decision on the three-step approach for reducing GHG emissions from ships (by Republic of Turkey);
  - (vi) MEPC 70/7/8 – Development of a road map to determine a possible IMO fair share contribution (by BIMCO, International Chamber of Shipping (ICS), INTERCARGO, INTERTANKO and World Shipping Council (WSC));
  - (vii) MEPC 70/7/9 – Comments on document MEPC 70/7/8: Development of a road map to determine a possible IMO fair share contribution (by International Association of Ports and Harbors (IAPH));
  - (viii) MEPC 70/7/10 – Considering the International Civil Aviation Organization's (ICAO) approach to GHG reduction within the maritime sector (by International Cargo Handling Coordination Association (ICHCA));
  - (ix) MEPC 70/7/11 – Moving forward on "fair share" discussions (by Clean Shipping Coalition (CSC));

- (x) MEPC 70/7/12 – Development of a road map to determine a possible IMO fair share contribution (by Cruise Lines International Association (CLIA));
  - (xi) MEPC 70/7/13 – International shipping's share in international efforts to limit the rise of global average temperature - comments on method and transport cost considerations (by Antigua & Barbuda, Belgium, France, Germany, the Marshall Islands, Monaco, the Netherlands, the Solomon Islands and Tonga); and
  - (xii) MEPC 70/7/14 – Comments on documents MEPC 70/7/3, MEPC 70/7/4, MEPC 70/7/5, MEPC 70/7/6 and MEPC 70/7/7 (by Canada).
5. Papers MEPC 70/7/3–8 are the main papers that put forth proposals for consideration of MEPC 70 while papers MEPC 70/7/9–14 are commenting papers that provide views on specific main papers.
  6. Two papers, MEPC 70/7/6 (main paper) and MEPC 70/7/13 (commenting paper), are co-sponsored by three Pacific Island countries (PICs) – Marshall Islands, Solomon Islands and Tonga – as well as by some European, African and Caribbean countries. MEPC 70/7/6 reiterates the need for IMO to define the fair share of international shipping in the global effort to limit the increase of global average temperature, as already called for in MEPC 69/7/2. It underlines that the concept is open for debate, that it is complimentary to the three-step approach, and that the fair share does not imply in itself a transport costs increase. MEPC 70/7/13 explores methods for identifying shipping's fair share and further clarifies the relation between fair share and transport cost.
  7. In light of the asks of MEPC 70/7/6 and MEPC 70/7/13, there are a number of very positive signals and inferences arising from the 12 submissions:
    - a. The volume of submissions and number of co-sponsors (twelve proposals submitted by a total of 26 countries and the key shipping industry NGOs) shows that what started as the Marshall Islands and Pacific group calling for targets at MEPC 68 has gained substantial momentum at IMO and will be one of the key issues debated at MEPC 70 in October 2016.
    - b. The Pacific/European coalition behind the MEPC 69/7/2 submission has grown its membership, adding co-sponsors from Africa and the Caribbean to its two submissions made to MEPC 70.
    - c. All twelve submissions recognise the Paris Agreement objectives, encourage improvements in the global fleet's carbon footprint and recognise that discussions on reducing GHG emissions from international shipping need to continue at IMO.
    - d. 9 out of the 12 submissions propose or support the development of a workplan/roadmap/strategy to progress work on GHG emissions at IMO, while 10 out of 12 are in favour of developing a GHG reduction target/objective. It is clear that an IMO defined pathway for action on its GHG emissions has wide support.
    - e. Many of the submissions use common language – stating that the IMO must define its fair-share, objective, target and IMO Determined Contribution.
    - f. A number of key member states have assumed more supportive positions or changed positions since MEPC 69 in April 2016. Most notably, the US and Japan have submitted papers that now align, to a large degree, to the submission by the EU, Pacific and Morocco at MEPC 69 (69/7/2).
    - g. With ICAO and COP 22 falling close to MEPC 70, and pressure to demonstrate momentum and a response to Paris, the world's governments and media will be watching this debate closely.
  8. Despite these positive signals, the papers also show that some work is still needed. The voices expressing opposing positions will need to have their concerns allayed. These voices are coming in particular from the BRICS (MEPC 70/7/4) and Turkey (MEPC 70/7/7). Both proposals suggest that further work on GHG emission reduction should be postponed until the mid-2020s when IMO has collected data on ships' actual fuel consumption and analysed it. On contrast, the view of the co-sponsors of MEPC 70/7/6 and 70/7/13 is that work on shipping's fair share should run in parallel to IMO's collection of data, using data that is already available and that further postponement is not only unnecessary, but risks the attainment of the Paris Agreement objectives.
  9. Furthermore, the EU and Pacific's MEPC 70/7/6 workplan will need careful guarding to ensure that it is not watered down or diverted to less substantive action.
  10. A more detailed overview and analysis of the MEPC 70 submissions is provided in [Annex 1](#).

11. In contrast to the situation in 2013 when the GHG debate at IMO had come to a halt following failed discussions on market-based measures, there is now a re-focusing of the IMO MEPC on the GHG topic, and an excellent chance of progressive steps being taken to enable IMO to feed into UNFCCC processes - including the stocktake dialogue and ratchet mechanisms. The present momentum is directly attributable to Pacific leadership through their sequence of four submissions (at MEPC 68, 69 and 70). To guarantee those progressive steps, the Pacific needs to maintain this momentum and enter the MEPC 70 plenary debate with a powerful voice, supported by a coordinated and effective negotiating team.

### **Recommendations**

12. Pacific Island governments are invited to:
  - (i) Note the various briefing papers that have been circulated by PIDF to keep all stakeholders informed of consultations and submissions involving the MEPC 70 proposals on shipping emission reductions.
  - (ii) Note the 15 submissions put forth by IMO member states for consideration of MEPC 70, as well as an analysis of these submissions undertaken by the University of the South Pacific and the University College London.
  - (iii) Demonstrate support from the floor by speaking in favour of the two MEPC 70 shipping emissions submissions – MEPC 70/7/6 and MEPC 70/7/13 – that have been co-sponsored by the Marshall Islands, Solomon Islands, Tonga and other international partners.

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## Annex 1: Comparative analysis of MEPC 70 submissions (agenda item 7: Reduction of GHG Emissions from Ships)

### Overview and summaries of MEPC 70 submissions under agenda item 7

Paper	Title	Co-sponsors	Position at MEPC 69 regarding adoption of a workplan	Executive summary
MEPC 70/7 <sup>1</sup>	Outcome of the United Nations Climate Change Conference held in Bonn, Germany, in May 2016	Secretariat	Not applicable	This document reports on the outcome of the United Nations Climate Change Conference held in Bonn, Germany (May 2016)
MEPC 70/7/1 <sup>1</sup>	The contribution of the Panama Canal to reducing emissions from international shipping	Panama	Support in principle	This document shows how the Panama Canal Green Route was introduced as an early step towards reducing greenhouse gas (GHG) emissions from the maritime industry. It also highlights the contributions of the Panama Canal and the efforts of IMO and international shipping in connection with mechanisms to mitigate climate change.
MEPC 70/7/2 <sup>1</sup>	Issues relating to the use of fuel oils from non-petroleum sources	IMaREST	Abstained	It would be seen that the general use of non-petroleum sourced fuel oils could be the long-term goal of IMO in order that shipping may play its part in reducing the flow of fossil carbon into the atmosphere. However, it would be identified that there are a number of issues regarding the applicability of regulation 18.3.2 of MARPOL Annex VI which deals with non-petroleum fuel oils and in particular how the requirements of sub-clause .2 of that regulation could realistically be met. It is therefore suggested that consideration should be given to making regulation 18.3.1 applicable to all fuel oils, recognizing that if Member States saw this as the appropriate means to resolve the identified issues it would, in accordance with the Committee's procedures, need to be taken forward by them as a new work item.
MEPC 70/7/3	GHG emissions reduction target of international shipping based on energy efficiency	Japan	Not supportive	This document proposes to develop a Greenhouse Gas (GHG) emissions reduction target of international shipping based on energy efficiency of ships
MEPC 70/7/4	Proposal on how to progress on the contribution of international shipping to GHG emissions reduction efforts	Angola, Brazil, Bolivia, China, Ecuador, India, Iran, South Africa and Uruguay	<ul style="list-style-type: none"> <li>• Not supportive – Angola, Brazil, China, India, Iran, South Africa</li> <li>• Abstained – Bolivia, Ecuador, Uruguay</li> </ul>	Key issues need to be addressed when considering how to progress the matter of reduction of GHG emissions from ships, including maritime transport demand, efficiency and fuel. Based upon these considerations, the co-sponsors invite the Committee to develop a roadmap for further enhancing the energy efficiency of international shipping.
MEPC 70/7/5	Developing a long-term strategy to address greenhouse gas emissions from international shipping	Norway and the United States	<ul style="list-style-type: none"> <li>• Supportive - Norway</li> <li>• Not supportive - USA</li> </ul>	This document proposes developing a long-term strategy to address greenhouse gas emissions from international shipping.
MEPC 70/7/6	International shipping's share in international efforts to limit the rise of global average temperature – further clarifications	Antigua and Barbuda, Belgium, Côte d'Ivoire, Denmark, France, Germany, the Marshall Islands, Monaco, Morocco, Solomon Islands and Tonga	<ul style="list-style-type: none"> <li>• Supportive – Belgium, Côte d'Ivoire, Denmark, France, Germany, the Marshall Is, Monaco, Morocco, Solomon Is</li> <li>• Abstained – Antigua and Barbuda, Tonga</li> </ul>	Responding to the outcome of the debate at MEPC 69, this document reiterates the need for IMO to define the fair share of international shipping in the global effort to limit the increase of global average temperature. It underlines that the concept is open for debate, that it is complimentary to the three-step approach, and that the fair share does not imply in itself a transport costs increase.

<sup>1</sup> Please note that these documents are not included in the analysis as they do not relate to the development of a GHG reduction objective/strategy

MEPC 70/7/7	A work plan with a timetable for implementing the decision on the three-step approach for reducing GHG emissions from ships	Republic of Turkey	Not supportive	The main aim of this document is to put forward a work plan based on the three-step approach and invite the Committee to endorse this work plan for reducing GHG emissions from ships.
MEPC 70/7/8	Development of a road map to determine a possible IMO fair share contribution	BIMCO, International Chamber of Shipping (ICS), INTERCARGO, INTERTANKO and World Shipping Council (WSC)	Supportive	The co-sponsors comment on the suggestion that international shipping should contribute its fair share to the international community's efforts to curb greenhouse gas (GHG) emissions. It is proposed by the co-sponsors that the Committee should develop a road map to determine such a possible IMO fair share contribution, which initially focuses on the development of a timeline, consistent with the three-step approach. In addition, the co-sponsors also offer some principles that might assist the possible development of this work.
MEPC 70/7/9	Comments on document MEPC 70/7/8: Development of a road map to determine a possible IMO fair share contribution	International Association of Ports and Harbors (IAPH)	Abstained	This document provides comments on document MEPC 70/7/8 which proposes that the Committee should develop a road map to determine such a possible IMO fair share contribution, which initially focuses on the development of a timeline, consistent with the three-step approach. Document MEPC 70/7/8 also offers some principles that might assist the possible development of this work.
MEPC 70/7/10	Considering the International Civil Aviation Organization's (ICAO) approach to GHG reduction within the maritime sector	International Cargo Handling Coordination Association (ICHCA)	Supportive	This document contains views on how the maritime sector could consider the approach taken by ICAO to reduce GHG emissions within the aviation sector and whether these options could be developed to apply to shipping
MEPC 70/7/11	Moving forward on "fair share" discussions	Clean Shipping Coalition (CSC)	Supportive	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.
MEPC 70/7/12	Development of a road map to determine a possible IMO fair share contribution	Cruise Lines International Association (CLIA)	Supportive	The sponsor comments on the suggestion that international shipping should contribute its fair share to the international community's efforts to curb greenhouse gas (GHG) emissions and on the proposal that the Committee should develop a road map to determine a possible IMO fair share contribution. This includes the development of a timeline consistent with the three-step approach and principles that might assist the possible development of this work.
MEPC 70/7/13	International shipping's share in international efforts to limit the rise of global average temperature - comments on method and transport cost considerations	Antigua & Barbuda, Belgium, France, Germany, the Marshall Islands, Monaco, the Netherlands, the Solomon Islands and Tonga	<ul style="list-style-type: none"> <li>• Supportive – Belgium, France, Germany, Marshall Islands, Monaco, Netherlands, Solomon Islands</li> <li>• Abstained – Antigua and Barbuda, Tonga</li> </ul>	Responding to submissions made to MEPC 70 agenda item 7 on the topic of fair share and long-term objectives, and in particular document MEPC 70/7/6, this document provides an exploration of methods for identifying fair share (step 3 in the work plan of document MEPC 70/7/6), as well as a clarification of the relation between fair share and transport cost.
MEPC 70/7/14	Comments on documents MEPC 70/7/3, MEPC 70/7/4, MEPC 70/7/5, MEPC 70/7/6 and MEPC 70/7/7	Canada	Supportive	This document provides comments on documents MEPC 70/7/3, MEPC 70/7/4, MEPC 70/7/5, MEPC 70/7/6 and MEPC 70/7/7, submitted by Member States to address GHG emissions from international maritime shipping and suggests development of a roadmap that sets out the steps for how the IMO will ensure the shipping sector contributes meaningful emissions reductions to the global efforts, including setting a quantifiable target

## Comparative analysis – main papers

	MEPC 70/7/3 (Japan)	MEPC 70/7/4 (Angola, et al.)	MEPC 70/7/5 (US/Norway)	MEPC 70/7/6 (Antigua & Barbuda, et al)	MEPC 70/7/7 (Turkey)	MEPC 70/7/8 (BIMCO et al.)
1. Recognition of the Paris Agreement goals						
2. Recognises that discussions on reducing GHG emissions from international shipping need to continue at IMO						
3. Proposes GHG emissions work to be part of the 3-step approach <sup>2</sup>						
4. Proposes GHG emissions work to run independently but parallel to and consistent with the 3-step approach <sup>2</sup>						
5. Proposes development of a workplan/roadmap/strategy to progress GHG work						
6. Proposes development of a GHG reduction target/objective						
7. Proposes development of a timeline for 3-step approach <sup>2</sup>						
8. Outlines a proposed timeline-based workplan/roadmap/strategy						
9. Considers efficiency-based approach as the best way to reduce shipping emissions						
10. Brings attention to the potential impact on international shipping and trade, resulting from adoption of a GHG reduction target/policy						
11. Considers linkages with (I)NDCs of countries, including adopting a similar review process for a shipping GHG target/objective						
12. Considers actual fuel consumption data as a prerequisite to progress GHG work						
13. Recognises need for actual fuel consumption data, initially substituted by GHG Study data						
14. Brings attention to needs of SIDS and LDCs						
15. Recognises potential need for further work on transport cost						
16. Identifies need to assess emission scenarios and benefits, emission reduction opportunities and obstacles						
17. Identifies need to assess technology research and development						
18. Encourages significant improvement in fleet carbon footprint						
19. Encourages investment in the development and dissemination of new technologies						
20. Highlights technical and operational abatement potential						
21. Uses term “fair share”						

<sup>2</sup> The 3-step approach consists of: 1) collection of ships’ fuel consumption data; 2) data analysis; and 3) decision-making on what further measures, if any, are required.

## Comparative analysis – commenting papers

	MEPC 70/7/9 (IAPH)	MEPC 70/7/10 (ICHCA)	MEPC 70/7/11 (CSC)	MEPC 70/7/12 (CLIA)	MEPC 70/7/13 (Antigua & Barbuda, et al)	MEPC 70/7/14 (Canada)
1. Provides comments on main MEPC 70 papers (MEPC 70/7/3-8)	MEPC 70/7/8	MEPC 70/7/5; MEPC 70/7/8	All papers (70/7/3-8)	MEPC 70/7/8	MEPC 70/7/6; MEPC 70/7/8	5 papers (70/7/3-7)
2. Recognition of the Paris Agreement goals						
3. Recognises that discussions on reducing GHG emissions from international shipping need to continue at IMO						
4. Supports GHG emissions work to be part of the 3-step approach <sup>3</sup>						
5. Supports GHG emissions work to run independently but parallel to and consistent with the 3-step approach <sup>3</sup>						
6. Supports development of a workplan/roadmap/strategy to progress GHG work						
7. Supports development of a GHG reduction target/objective						
8. Supports development of a timeline for 3-step approach <sup>3</sup>						
9. Supports development of a timeline-based workplan/roadmap/strategy						
10. Considers efficiency-based approach as the best way to reduce shipping emissions.						
11. Brings attention to the potential impact on international shipping and trade, resulting from adoption of a GHG reduction target/policy						
12. Considers linkages with (I)NDCs of countries, including adopting a similar review process for a shipping GHG target/objective						
13. Considers actual fuel consumption data as a prerequisite to progress GHG work						
14. Recognises need for actual fuel consumption data, initially substituted by GHG Study data						
15. Brings attention to needs of SIDS and LDCs						
16. Recognises potential need for further work on transport cost						
17. Identifies need to assess emission scenarios and benefits, emission reduction opportunities and obstacles						
18. Identifies need to assess technology research and development						
19. Encourages significant improvement in fleet carbon footprint						
20. Encourages investment in the development and dissemination of new technologies						
21. Highlights technical and operational abatement potential						
22. Uses term “fair share”						

<sup>3</sup> The 3-step approach consists of: 1) collection of ships’ fuel consumption data; 2) data analysis; and 3) decision-making on what further measures, if any, are required.

## Comments on defining a target/objective/fair share

MEPC 70/7/3 (Japan)	MEPC 70/7/4 (Angola, et al.)	MEPC 70/7/5 (US/Norway)	MEPC 70/7/6 (Antigua & Barbuda, et al.)	MEPC 70/7/7 (Turkey)	MEPC 70/7/8 (BIMCO et al.)
<p>GHG emission reduction target:</p> <ul style="list-style-type: none"> <li>• should be developed based on the potential analysis for the enhancement of energy efficiency of ships</li> <li>• should be ambitious but also realistically achievable by industry's emissions reduction efforts from the development of low carbon technology and alternative energy</li> <li>• would show IMO's positive response to the international call to reduce emissions from the sector, while promoting innovation and clean growth</li> <li>• must not distort the shipping market and should consider wider global economic objectives and shipping's vital role on international trade and sustainable development</li> <li>• Setting target based on absolute total amount of CO2 emissions is impractical/unimaginable considering projected emerging maritime transportation volume</li> </ul>	<ul style="list-style-type: none"> <li>• IMO has expressly objected to adopting an absolute emission cap for international shipping which would curb the demand for shipping driven by global economy growth.</li> <li>• As long as world trade is growing, shipping will grow too. This makes it impossible to determine its peak emissions in the same way that a country could do.</li> <li>• if demand for shipping is higher than predicted, even the most significant improvements in efficiency may not achieve the preset overall cap.</li> <li>• If demand is lower than projected, the overall cap would appear to be too loose to provide adequate incentives for the industry to reduce its emissions.</li> <li>• Overall emission cap is fundamentally unfit for shipping.</li> <li>• Shipping sector cannot afford to set an overall emission cap where future demand for shipping is besieged by significant uncertainties.</li> <li>• Instead of setting absolute reduction target/overall cap, IMO should focus on further enhancing energy efficiency and encouraging uptake of alternative fuels.</li> </ul>	<ul style="list-style-type: none"> <li>• IMO should provide a long-term vision for the sector on how to reduce GHG emissions, but question whether IMO should solely focus its efforts on defining a target</li> <li>• IMO should develop a long-term strategy to address GHG emissions from international shipping (long-term strategy), including discussions of a long-term target, but its primary focus would be to provide tangible outputs to guide near- and long-term action and investments throughout the sector</li> </ul>	<ul style="list-style-type: none"> <li>• International shipping should do its 'fair share' to decrease GHG emissions to help attain the Paris goals; this document is a first step to identify what that fair share should be.</li> <li>• The intention of this paper is to clarify that the concept is open for debate, that it is complimentary to the three-step approach, and that the fair share does not imply in itself a transport costs increase.</li> <li>• Specification of fair share is about identifying nature, scale and speed of the change in the sector's CO2/ GHG emissions, both short- and long-term, which could be considered as fair recognition of Paris Agreement.</li> <li>• The method(s) to determine the fair share could be based on many different concepts, and consider a number of issues. Any method should recognize the overall emissions reductions required to achieve the Paris Agreement objectives</li> </ul>	<ul style="list-style-type: none"> <li>• any measures to be taken to limit the emissions of shipping should be analysed in depth based on a scientific study field and should not suppress the growth of international shipping in any way</li> <li>• The implementations for shipping need to be ambitious but realistic. Also the rules on shipping should provide continuous incentives for technological and operational improvements and non-discriminatory to all ships.</li> <li>• three-step approach is based on bottom-up approach composed of data collection, analysis and decision making; policy instruments for eliminating negative environmental externalities should thus be considered at stage of decision-making, and cannot be discussed before data collection</li> <li>• MEPC is invited (...) not to adopt any course of action such as defining an overall cap for ship sourced GHG emissions or implementing any policy instrument before securing the result of three-step approach</li> </ul>	<ul style="list-style-type: none"> <li>• proposes developing a road map to determine possible IMO fair share contribution, initially focusing on a timeline to develop this work</li> <li>• Maritime transport needs to be acknowledged as part of the solution to reducing global CO2, and any fair share contributed by IMO should take account of this.</li> </ul> <p>A fair share</p> <ul style="list-style-type: none"> <li>• should be "in sector" and consider circumstances relevant to international shipping;</li> <li>• will only apply to the sector as a whole;</li> <li>• should ensure non-penalization of early movers</li> <li>• development must be evidence-based, with final decision utilizing data from data collection system;</li> <li>• need to consider extent to which a fair share can realistically be addressed;</li> <li>• adoption does not itself imply any agreement, or necessity, to develop MBMs;</li> <li>• consider sector's reliance on fossil fuels and challenge of switching to low carbon alternatives</li> <li>• need to prevent modal shift to less carbon efficient transport modes.</li> </ul>

MEPC 70/7/9 (IAPH)	MEPC 70/7/10 (ICHCA)	MEPC 70/7/11 (CSC)	MEPC 70/7/12 (CLIA)	MEPC 70/7/13 (Antigua & Barbuda, et al.)	MEPC 70/7/14 (Canada)
Same as MEPC 70/7/8	<ul style="list-style-type: none"> <li>encourages MEPC to make progress towards how the maritime sector can define its fair share of emissions, as raised in MEPC 69/7/2</li> <li>encourages IMO to consider whether the pragmatic approach adopted by ICAO for the aviation sector could offer a potential way forward: focus on addressing GHG emissions via operational and fuel efficiency measures first and then using offsetting to address the remaining emissions</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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. The longer the industry delays further measures, the steeper the emission cuts will have to be to keep within the budget, and the harder it will be for the industry to adjust.</li> </ul>	<ul style="list-style-type: none"> <li>The co-sponsors of document MEPC 70/7/8 appropriately suggest that IMO should determine a possible fair share contribution for the international shipping sector</li> <li>it remains imperative that sufficient CO2 data be collected to determine if IMO can realistically adopt a firm contribution on behalf of the international shipping sector</li> </ul>	<ul style="list-style-type: none"> <li>The determination of the fair share of shipping's contribution to the global efforts needs to fully take account of the long-term temperature objective of the Paris Agreement (1.5-2°C)</li> <li>Definition of fair share is also set in the context of sustainable development and efforts to eradicate poverty</li> <li>Possible methods to define fair share: <ol style="list-style-type: none"> <li>action to reduce emissions should be allocated according to the capability of the sector</li> <li>"equals" should be treated alike, e.g. comparison to other sectors or countries</li> <li>share of a carbon budget associated with a given temperature target is associated to shipping, using information derived from its historical share of total emissions</li> </ol> </li> <li>The fair share itself does not have an impact on transport costs, but measures or instruments to reach the fair share may.</li> </ul>	<ul style="list-style-type: none"> <li>agrees w/ MEPC 70/7/5 on advantages of developing a long-term strategy for addressing GHG emissions, but strategy should also reflect actions that can be taken in the nearer term so that progress can be made as soon as possible</li> <li>recommends establishment of a quantifiable target as a central component of a strategy for GHG emissions reductions from international shipping</li> <li>is uncomfortable with use of "fair share" to describe the desired outcome</li> <li>prefers for IMO to establish an IMO-determined contribution for the international shipping sector which should be a high ambition, in light of capabilities, with the intent of enhancing the level of ambition over time</li> <li>It is worth to explore the different ways to determine target, incl. Japan's proposed GHG intensity target based on CO2 emissions/activity</li> </ul>

## Comments on principles to be taken into account

MEPC 70/7/3 (Japan)	MEPC 70/7/4 (Angola, et al.)	MEPC 70/7/5 (US/Norway)	MEPC 70/7/6 (Antigua & Barbuda, et al.)	MEPC 70/7/7 (Turkey)	MEPC 70/7/8 (BIMCO et al.)
	<ul style="list-style-type: none"> <li>• UNFCCC principles and provisions and recent UNFCCC developments should be taken into account in order to avoid contradictions in the intergovernmental sphere</li> <li>• IMO should make explicit reference to CBDR when addressing the matters of reducing and limiting GHG emissions</li> </ul>			<ul style="list-style-type: none"> <li>• “no more favourable treatment” and “non-discriminatory to all ships” mentioned</li> </ul>	<ul style="list-style-type: none"> <li>• effective in contributing to reduction of total global GHG emissions;</li> <li>• binding and equally applicable to all flag States in order to avoid evasion;</li> <li>• cost-effective;</li> <li>• able to limit, or at least, effectively minimize competitive distortion;</li> <li>• based on sustainable environmental development without penalizing global trade and growth;</li> <li>• based on a goal-based approach and not prescribe specific methods;</li> <li>• supportive of promoting and facilitating technical innovation and R&amp;D in the entire shipping sector;</li> <li>• accommodating to leading technologies in the field of energy efficiency; and</li> <li>• practical, transparent, fraud free and easy to administer.</li> </ul> <p>Principles from MEPC 69/7/4:</p> <ul style="list-style-type: none"> <li>• gathering actual fuel consumption data across the global fleet is critical to compiling accurate emission figures and to formulating a realistic and effective carbon policy;</li> <li>• international shipping's contribution needs to be considered in the context of the objectives to be achieved more broadly in the global economy, proportionality to the carbon reduction</li> </ul>

					<p>objectives of others, and the fact that international trade is critical to the Paris Agreement's focus on poverty reduction together with GHG reductions;</p> <ul style="list-style-type: none"> <li>• any objectives and associated time periods should encourage investments in realistic technical innovation designed to achieve significant improvement in the carbon footprint of the fleet;</li> <li>• process should consider how the objective should be defined</li> <li>• objectives should be evaluated in the context of actions that are realistically available and appropriate for meeting the objectives within the time frame provided.</li> </ul>
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<b>MEPC 70/7/9 (IAPH)</b>	<b>MEPC 70/7/10 (ICHCA)</b>	<b>MEPC 70/7/11 (CSC)</b>	<b>MEPC 70/7/12 (CLIA)</b>	<b>MEPC 70/7/13 (Antigua &amp; Barbuda, et al.)</b>	<b>MEPC 70/7/14 (Canada)</b>
Same as MEPC 70/7/8			<ul style="list-style-type: none"> <li>• considers principles in MEPC 70/7/8 as constructive for guiding the work of MEPC</li> </ul>		

## Comments on working procedures and timeline

MEPC 70/7/3 (Japan)	MEPC 70/7/4 (Angola, et al.)	MEPC 70/7/5 (US/Norway)	MEPC 70/7/6 (Antigua & Barbuda, et al.)	MEPC 70/7/7 (Turkey)	MEPC 70/7/8 (BIMCO et al.)
<ul style="list-style-type: none"> <li>Target could be reviewed by IMO and if possible, strengthened every five years like NDCs. IMO could intensify target gradually taking into account other relevant regulations, existing technological advancements and the potential to drive further emission-reducing innovation.</li> </ul>	<ul style="list-style-type: none"> <li>instead of splitting efforts on parallel discussion, it would be more beneficial to focus on the three-step approach</li> <li>important issues remain unaddressed on both technical and political levels regarding how to pursue further contribution by IMO. These policy considerations must be made by the plenary of MEPC and related discussions should allow for broad participation of all membership, and not be restricted to the participants of the working group to be established.</li> <li>In the spirit of consensus, IMO should endeavour to develop a shared vision for long-term cooperative action in order to contribute to the ultimate objective of addressing GHG emissions</li> </ul>	<ul style="list-style-type: none"> <li>The concrete next steps could range widely and include activities undertaken by the IMO itself; further regulation by Member States; or initiatives or partnerships outside the formal IMO process, among others. The goal will be to develop a strategy that takes advantage of emission reduction opportunities in the sector, wherever they exist.</li> <li>In order to develop long-term strategy in timely manner, MEPC should first develop a work plan to address each of the three elements noted above, incl. timeline and identification of appropriate modalities and incorporating the three-step approach.</li> <li>Modalities for long-term strategy could include: submissions from stakeholders and Member States; compilation of existing relevant material by the IMO Secretariat; commissioning analyses by experts; and working group discussions or the creation of intersessional correspondence groups on specific topics.</li> <li>We envision completing development of a long-term strategy by MEPC 73 in 2018.</li> </ul>	<ul style="list-style-type: none"> <li>The work on fair share should start now and be carried out in parallel with work on data collection</li> <li>Preliminary discussion of shipping's fair share could be facilitated using currently available data, with further refinements and calculations informed using data obtained from IMO's data collection system. In this way, the fair share discussions can be informed by and benefit from IMO's three-step approach, but can progress immediately to enable some work to be completed</li> <li>Identification of a provisional fair share and discussion of any further work/steps that this implies at MEPC 72 in 2018</li> </ul>	<ul style="list-style-type: none"> <li>parallel work plans ignoring three-step approach will not be evidence-based and achievable</li> <li>MEPC is invited (...) to endorse a work plan taking into account the timetable (annex) in order to reveal a systematic and pragmatic approach</li> <li>As part of three-step approach: Decision on what should be done at MEPC 82 in 2024</li> </ul>	<ul style="list-style-type: none"> <li>until IMO CO2 data collection system is up and running, there is insufficient data to determine if it'd be realistic for IMO to adopt a firm contribution on behalf of the sector.</li> <li>The discussion on the proposal in MEPC 69/7/2 for MEPC to establish a timeline should start, but must take account of the need to analyse the CO2 data provided by the data collection system. Once data is available, evaluation and analysis should follow. MEPC can then decide on initial fair share contribution, and as more data is collected, the fair share could be revised in the long-term</li> <li>encourages MEPC to establish road map w/ ambitious timeline for future work to demonstrate that IMO is taking steps in line w/ Paris Agreement</li> <li>supports open, structured and deliberative process to consider long-term carbon objective for international shipping. The process and schedule outlined in MEPC 69/7/2 could initiate that discussion, but would require adjustment to reflect complexity of the subject,</li> </ul>

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Same as MEPC 70/7/8		<ul style="list-style-type: none"> <li>• the work load will be substantial and IMO will need to significantly enhance the resources available if this work is to be undertaken properly and in a timely manner</li> <li>• 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.</li> <li>• Sufficient time then needs to be allocated intersessionally and at future meetings to advance these issues.</li> </ul>	<ul style="list-style-type: none"> <li>• priority at MEPC 70 must be the adoption of the data collection system and the finalization of the associated IMO Guidelines</li> <li>• three-step approach should be followed prior to making any decision on the specific further actions required to meet an IMO contribution</li> <li>• While there could certainly be some overlap in discussion and preliminary analysis required in each of the three steps, the value of appropriately sequencing collection, analysis and then decision-making cannot be overstated</li> </ul>	<p>Invites MEPC to:</p> <ul style="list-style-type: none"> <li>• establish a dedicated working group for this agenda item to develop a work plan incl. timeline for shipping's fair share/objective to reduce GHG emissions;</li> <li>• agree on a work plan; and</li> <li>• consider intersessional work to launch the implementation of that work plan in due time.</li> </ul>	<ul style="list-style-type: none"> <li>• timeline proposed in MEPC 70/7/6 is reasonable for the establishment of an IMO target</li> <li>• discussions on a target to reduce GHG emissions and measures to achieve that target can and should take place in parallel with the three-step approach</li> <li>• supports the concept of an "ambition cycle" in the context of the IMO's approach to GHG emissions mitigation</li> </ul>