

INTERSESSIONAL MEETING OF THE
WORKING GROUP ON REDUCTION OF
GHG EMISSIONS FROM SHIPS
1st session
Agenda item 2

ISWG-GHG 1/2/2
8 May 2017
ENGLISH ONLY

**CONSIDERATION OF HOW TO PROGRESS THE MATTER
OF REDUCTION OF GHG EMISSIONS FROM SHIPS**

**The need for a high level of ambition within the comprehensive IMO strategy on
reduction of GHG emissions from ships**

Submitted by the Marshall Islands and Solomon Islands

SUMMARY

Executive summary: Numerous declarations by Pacific leaders have called for the need to curb global warming within a 1.5°C guardrail if the existential threat posed by climate change on their countries is to be combated. IMO has agreed a comprehensive strategy to reduce GHG emissions from shipping. The co-sponsors request that IMO agrees, as part of the initial strategy proposed to be agreed at MEPC 72, that the level of ambition should be high and an overall target for shipping's reductions agreed consistent with a "fair share" of the global burden of reductions necessary to achieve a no more than 1.5°C target.

Strategic direction: 7.3

High-level action: 7.3.2

Output: 7.3.2.1

Action to be taken: Paragraph 13

Related documents: MEPC 68/5/1; MEPC 69/7/1, MEPC 69/7/2, MEPC 69/7/4;
MEPC 70/7/6; MEPC 71/7/3, MEPC 71/7/7, MEPC 71/7/8,
MEPC 71/7/9 and MEPC 71/INF.35

Introduction

1 At MEPC 68, the Marshall Islands submitted document MEPC 68/5/1 requesting the Committee to undertake the necessary work to establish a GHG emission reduction target for international shipping consistent with keeping global warming below 1.5°C and to agree the measures necessary to reach that target.

2 At MEPC 69 and MEPC 70 the co-sponsors submitted documents MEPC 69/7/2, MEPC 70/7/6 and MEPC 70/7/13 calling for shipping to adopt a "fair share" approach to determining shipping contribution to overall emissions reduction.

3 MEPC 70 approved the *Roadmap for developing a comprehensive IMO strategy on the reduction of GHG emissions from ships*. The Roadmap contains a workplan that will result in the adoption of an initial IMO strategy at MEPC 72 (spring 2018) and the adoption of a revised IMO strategy at MEPC 80 (spring 2023).

4 The co-sponsors of this document have committed to working positively and proactively within the IMO Roadmap process. As a signal of good faith on this, the co-sponsors have also co-sponsored technical documents with others on levels of ambition, modelling of emissions scenarios, cost effects on States, etc. (MEPC 71/7/7, MEPC 71/7/8, MEPC 71/7/9 and MEPC 71/INF.35).

5 In developing the Roadmap, Members have been asked to, among other matters, consider the level of ambition shipping should adopt. It is the request of this document that the level of ambition set should be high and in line with shipping agreeing to a reduction based on a global target that would curb global warming within no more than 1.5°C. It is further requested that this level of ambition be confirmed in the initial strategy to be agreed at MEPC 72.

6 COP 21 of the UNFCCC approved the Paris Agreement which entered into force on 4 November 2016 and now ratified by 144 countries. The Paris Agreement set a global target to limit the global average temperature increase to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C. It also provides for regular upward adjustment of reduction policy and commitments over time.

7 Pacific leaders have consistently, through mechanisms such as the 2015 Suva Declaration, pointed to the grave and in some cases existential threat faced by small island States if global warming is not restricted to a no more than a 1.5°C guardrail.

8 The co-sponsors point out that their States present the most vulnerable in terms of effect and timing of climate change. The atoll and low lying small island developing States (SIDS) are in the front line and will be impacted first and hardest. These SIDS are also arguably the most dependent on maritime transport, not only for economic development but in many cases for basic security of food, fuel and basic necessities of life. Furthermore, these SIDS already face the highest maritime transport costs per capita in the world with the most vulnerable supply lines. All studies to date indicate that any effects on transport costs arising from shipping adopting a decarbonization pathway will likely be disproportionately felt in such States.

9 However, the effects, potentially existential, on the co-sponsors for not acting with high ambition and committing to taking decisive action now outweigh the risks of hesitation. All sectors and all actors must bear their share if the effects of some are not to be disproportionate on others.

10 If this is accepted by shipping, then agreeing a high level of ambition from the outset allows the greatest opportunity of adopting the most moderated and managed process with the least upset possible. The sooner the shipping industry openly acknowledges the decarbonization pathway needed, the sooner investment decisions and infrastructure developments can be aligned. This is crucially important for a sector which has long-lasting assets (ships and ports) which risk becoming stranded assets as a consequence of future GHG mitigation policy – and with the potential for severe negative consequences on the shipowners, flag registries and other industry actors. A high level of ambition implies early agreement to a target for the shipping sector, setting the earliest possible date for peaking global shipping emissions and agreeing the trajectory toward decarbonization of the sector.

11 In making these decisions, the unique situation of SIDS must be taken into account. Having not been contributors to the causes of climate change, SIDS should not have to bear an increased penalty through any increased transport costs required to mitigate and adapt to it. The unique situation of SIDS (and LDCs) has been recognized in the reference to the HLAP in the IMO Roadmap. On data currently available it is not possible to determine what increased costs, if any, SIDS might face.

12 This implies that the potential impact in terms of transport costs on SIDS must now be determined and, if necessary, an offsetting or compensatory mechanism needs to be agreed. This matter is highlighted in the co-sponsored document on the effect of the IMO Roadmap on States (MEPC 71/7/9).

Action requested of the Working Group

13 The Working Group is invited to consider the information provided above and take action as follows:

- .1 agree that the level of ambition required within the IMO Roadmap needs to be high and needs to be determined as part of the initial strategy to be adopted at MEPC 72;
- .2 agree that this requires the establishment of an overall global target for shipping based on accepting a fair share of overall global effort needed to stay within a 1.5°C guardrail; and
- .3 invite submissions to the second meeting of the intersessional working group on methods for analysing impacts of potential measures on transport costs and impacts on States including SIDS and LDCs, which can, in due course, be used as the basis for assessing and, as necessary, addressing the risk of negative impacts as part of the initial strategy proposed for adoption at MEPC 72.