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**CONSIDERATION OF THE REPORT OF THE
MARINE ENVIRONMENT PROTECTION COMMITTEE**

**Possible future working arrangements to support the follow-up actions of the IMO
Strategy on Reduction of GHG Emissions from Ships**

Submitted by Belgium, Chile, Marshall Islands, Solomon Islands and Tuvalu

SUMMARY

Executive summary: This document summarizes the debate held at MEPC 74 in regards to enabling participation of developing countries, and in particular small island developing States (SIDS) and least developed countries (LDCs), in any future working arrangements and processes adopted to support the implementation and review of the *Initial IMO Strategy on reduction of GHG emissions from ships*. It proposes adoption by the Council of a recommendation to establish a voluntary multi-donor Trust Fund to facilitate the participation of representatives of developing countries, especially SIDS and LDCs, in IMO meetings.

Strategic direction, if applicable: 3

Output: 3.2

Action to be taken: Paragraph 15

Related documents: Resolutions A.1060(28); A.1098(29); A.1110(30), A 1111(30); MEPC.229(65); MEPC 68/21; MEPC 74/7/1; MEPC 73/19, MEPC 73/WP.8; MEPC 74/7/5; ISWG GHG 4/2/3; MEPC 74/7/12, MEPC 74/7/13, MEPC 74/WP.1 and MEPC 74/18

Introduction

1 The co-sponsors wish to highlight, for the Council's benefit, discussions arising at MEPC 74 in regard to developing countries', and especially SIDS' and LDCs', ability to participate in any future working arrangement and process associated with further development, revision and/or implementation of the Initial Strategy and the GHG Roadmap.

2 Commenting papers (MEPC 74/7/12 and 74/7/13) submitted by Kiribati et al. identified the challenges faced by some IMO Member States in actively participating in IMO meetings on GHG emissions, as well as the need to enable the active participation of such States given the threat posed by climate change, to SIDS and LDCs in particular, as in some cases it is an existential threat, and they are most likely to be disproportionately negatively impacted by certain types of measures aiming at reducing emissions from shipping.

3 MEPC 74/7/12 (Kiribati et al.) recalled:

- .1 resolution A.1060(28), paragraph 2.10 "[t]he importance of the ITCP thus increases further with amendments to existing instruments and the development of new instruments by IMO, in which the particular needs of, and impact on, small island developing States and least developed countries should be taken into account";
- .2 resolution A.1110(30), paragraph 3 (...) "IMO will ensure that the views of all stakeholders are taken into account in its decision-making processes and continue to pay particular attention to the needs of developing countries, especially small island developing States (SIDS) and least developed countries (LDCs)";
- .3 resolution A.1111(30), paragraph 8.1.6 "the potential impact that the inclusion of an output may have on SIDS and LDCs";
- .4 document MEPC 68/21, paragraph 4.18.2 and resolution A.1098(29), High-level Action 3.4.1 and the requirement to "identify the emerging needs of developing States in general and the developmental needs of SIDS and LDCs in particular";
- .5 Article 15(g) of the Convention that gives the Assembly the competence to "determine financial arrangements of the Organization"; and
- .6 resolution A.1060(28), paragraph 2.2.4 to "involve the whole of the IMO membership in the development, formulation, adoption and implementation of policy".

Representation, equity and transparency

4 Kiribati et al. noted in document MEPC 74/7/12 that SIDS and LDCs remain poorly represented and this raises concerns of equity and representation. Of the 67 SIDS and LDCs, between MEPC 70 and MEPC 74, on average only 13 participated in the Intersessional Working Group on GHG meetings, 25 in MEPC, and 9 in MEPC working group meetings.

5 The risk is that without due consideration of how such States are to be supported to participate, only the well-resourced, larger or more developed States will be in a position to fully take part in the future IMO meetings on GHG emissions reduction. This could potentially result in an unfair and inequitable situation where States, such as SIDS and LDCs, are penalized, unless dedicated resourcing to support their participation is provided.

6 This is a particular challenge to those Member States such as LDCs and SIDS who do not have permanent representation at IMO, or High Commissions or Embassies based in London.

7 Whilst direct bilateral support from one Member State to another has enabled several SIDS and LDCs to participate in IMO meetings to date, and while that ad-hoc support has been much appreciated, these forms of bilateral support can be open to suspicion of serving the interests of the funder, which could raise transparency issues. This, in turn, could also have a negative implication for the reputation of IMO itself in regards to transparency.

8 In considering the Kiribati et al. proposal, MEPC 74 recognized that this was an issue not related to the GHG emissions roadmap alone, and did not decide upon it, leaving the matter to be further considered by the Council at a future session.

Other international bodies' approaches

9 The United Nations, its agencies and other international organizations provide financial support for the participation of representatives such as those from SIDS of LDCs in various international conferences. Some organizations support their participation through their regular budget while the others have established dedicated funds to enable the equitable participation of developing countries, in particular SIDS and LDCs.

10 Examples of where this has been addressed in other international fora include: Conference of Parties to CITES, the Human Rights Council, IRENA, the UN General Assembly, the UN Open-ended Informal Consultative Process on Oceans and the Law of the Sea, UNFCCC and the World Health Organization.

11 Financing is similarly therefore required to ensure the presence of those Member States, in particular SIDS and LDCs', to ensure the equitable participation of such States in IMO meetings generally, and IMO GHG emissions reduction meetings specifically. When all interested IMO Member States have a chance to be represented at these important meetings, this can lead to more equitable and acceptable solutions being agreed.

Suggested solution to support developing countries', and in particular SIDS' and LDCs' participation in IMO meetings

12 The co-sponsors suggest that a voluntary multi-donor Trust Fund or similar be established as a matter of priority, with the purpose of supporting the participation of developing countries, especially SIDS and LDCs, with a view to its consideration and adoption by the thirty-first Assembly in November 2019. The "GHG TC-Trust Fund" established at MEPC 74 as a voluntary multi-donor trust fund for technical cooperation and capacity-building to support the implementation of the Initial Strategy, does not cover the purpose of the present proposal.

13 Establishing an independent fund, based on multi-donor contributions and not affecting levels of core budget, would allow IMO Member States to assist other Members in engaging in the decision-making processes of the Organization and would result in higher levels of inclusiveness, ownership and transparency.

14 Due to the voluntary nature of contributions to such a Trust Fund, and uncertainties related to levels of funding, it is suggested initially that:

- .1 priority be given to support participation in the GHG Emissions Roadmap work due to its high importance in regards to climate change (which many States have identified as being their top priority);

- .2 eligibility for funding be limited to IMO Member States that fall under the category of SIDS and LDCs;* and
- .3 funding be limited to cover the head of delegation plus one alternate. Funding should cover economy class travel, daily subsistence allowance, other travel expenses, recognizing that support to delegations will depend on available funds for each meeting.

Action requested of the Council

15 The Council is invited to review this document and consider:

- .1 requesting the Secretary-General to establish a voluntary multi-donor Trust Fund with the specific purpose to support those Member States that require financial assistance to enable their participation in IMO meetings; and
- .2 requesting the Secretariat to determine the most appropriate mechanism for the establishment of such a Fund and to prepare draft terms of reference, including eligibility criteria, requirements and management requirements for consideration and adoption by the Assembly at its thirty-first session.

* This could be further limited to those SIDS and LDCs with a GDP per capita income of less than \$16,000 based on UNCTAD statistics with thresholds to be reviewed periodically.