

MARINE ENVIRONMENT PROTECTION
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REDUCTION OF GHG EMISSIONS FROM SHIPS

Comments on document MEPC 74/7/1 on Possible future working arrangements to support the follow-up actions of the IMO Strategy on Reduction of GHG Emissions from Ships

Submitted by Kiribati, Marshall Islands, Solomon Islands and Tuvalu

SUMMARY

Executive summary: This document highlights the necessity of enabling participation of SIDS and LDCs in any processes adopted to support the implementation and review of the *Initial IMO Strategy on reduction of GHG emissions from ships*

Strategic direction, if applicable: 3

Output: 3.2

Action to be taken: Paragraph 20

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

1 This document is submitted in accordance with paragraph 6.12.5 of the Committees' Methods of work and comments on document MEPC 74/7/1 (Secretariat).

2 The co-sponsors wish to record, for the Committee's benefit, comments in regard to SIDS' and LDCs' ability to participate in any process associated with the further development, revision, or implementation of the Initial Strategy and the GHG Roadmap.

3 The co-sponsors are fully supportive of IMO's initiatives on GHG emissions reduction and enheartened by the commitment and progress being made. The co-sponsors note with appreciation the Committee's recognition of the unique issues facing SIDS and LDCs and the commitment to take these into account in the Initial Strategy. The co-sponsors recall:

- .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 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"; and
- .5 Article 15(g) of the Convention that gives the Assembly the competence to "determine financial arrangements of the Organization".

4 The co-sponsors suggest that, in order to meet the challenge identified in A 28/Res.1060, paragraph 2.2.4 to "involve the whole of the IMO membership in the development, formulation, adoption and implementation of policy", greatly enhanced recognition and concrete mechanisms are required to enable the active and full participation by SIDS and LDCs in the GHG emissions reduction processes.

Representation and equity

5 Document MEPC 74/7/1 (Secretariat), while investigating future ways to organize the work, does not address the different effects these may have on different Member States, but considers only total or average costs e.g. in the context of back-to-back meetings.

6 The co-sponsors have continued to participate actively in the Roadmap process since its outset including through this Committee and related intersessional and working group meetings. However, the co-sponsors note that SIDS and LDCs remain poorly represented and this raises concerns of equity. For example, of the 67 SIDS and LDCs that are IMO members, 12 participated in ISWG-GHG 4 and seven in the MEPC 73 Working Group on reduction of GHG emissions from ships. Of these, about half were represented by staff from international registries, not necessarily by the governments of Member States themselves.

7 SIDS and LDCs make up the majority of the Climate Vulnerable nations, some face existential threats from climate change, and are the most affected by the current global discourse addressing climate change, including mitigation of effects from international shipping. The flag and port State responsibilities resulting from implementation of the Strategy will place increased resourcing and capacity demands on SIDS and LDCs well beyond the scope of the existing ITCP mechanisms, and the co-sponsors note that all literature to date indicates that if there is a negative effect on transport cost and security, SIDS and LDCs in particular will incur a disproportionate burden. The co-sponsors consider it imperative to achieve a durable and credible Strategy, that the perspectives of such States are fully

represented in its formulation. This includes their participation in meetings, proposing measures, undertaking impact assessments, reviewing others' impact assessments, etc. The risk is that only the well-resourced, larger, or developed States will be in a position to participate fully in the future IMO GHG emissions reduction work and that this inequity will be exacerbated regardless of which future working arrangement is adopted.

8 The co-sponsors note that the specific means and actions by which recognition of the unique issues facing SIDS and LDCs is to be given effect to have not yet been defined or agreed. This is a matter that now requires urgent consideration, as it is particularly important for the voices of SIDS and LDCs to be heard as the development and implementation of the Initial Strategy progresses. Given the particular needs of SIDS and LDCs, the co-sponsors believe that input from SIDS and LDCs will be beneficial to development of measures and impact assessments, as well as in the decision-making undertaken by the Committee. Adopting future working arrangements without addressing this issue will only increase the challenge identified in resolution A.1060(28), paragraph 2.2.4.

9 The co-sponsors highlight the urgency of clearly defining what is intended by the Initial Strategy's recognition (paragraph 5.1) "that developing countries, in particular the LDCs and SIDS, have special needs with regard to capacity building and technical cooperation" and precisely how these will be "taken into account". It may be impossible to take these needs into account after the detailed implementation is decided. Therefore the views of all stakeholders must be taken into account in the decision-making, which requires the presence and input of SIDS and LDCs in all fora.

10 The co-sponsors recall resolution MEPC.229(65) regarding technical cooperation and technology transfer, and are aware of document MEPC 74/7/5 (Secretariat) in regards a Trust Fund, but note that the existing ITCP initiatives such as GloMEEP and MTCCs are specifically designed to assist developing States, SIDS and LDCs, in decarbonizing their shipping and to share experiences within and between regions. Such initiatives were never intended to address enabling participation of SIDS and LDCs in the IMO Roadmap policy development processes (including developing proposals for measures, undertaking or reviewing impact assessments), nor are they suitable for such a purpose.

Specific concerns in regards to future working arrangements

11 The Secretariat has outlined the following possible future working arrangements to support the follow-up actions of the Initial Strategy: 1) improving existing arrangements e.g. by increasing the number of intersessional meetings and using correspondence groups; 2) establishment of a dedicated standing technical committee; and 3) establishment of a new sub-committee. All of these will place additional financial and human resource costs on SIDS and LDCs, who already struggle to attend the intersessional, MEPC and working group meetings.

12 Whilst document MEPC 74/7/1 clearly indicates that no preference is given to the two suggested new means to organize the work (2 and 3), the administrative requirements (such as translation, longer submission and reporting timelines) and budgetary implications of establishing a new sub-committee. would suggest this is the least preferred option.

13 However option 2 has implications for SIDS and LDCs. As document MEPC 74/7/1 notes there could be sub-groups working concurrently, resulting in SIDS and LDCs often having to make a choice as to which sub-groups they should participate in (if any). Document MEPC 74/7/1 notes in paragraph 19 that delegation sizes may limit ability to attend such working groups, but suggests no solution to this challenge.

14 For the co-sponsors, any of the suggestions made in document MEPC 74/7/1 could result in an unfair and inequitable situation where SIDS and LDCs are penalized, unless dedicated resourcing to support their participation is provided.

Other international bodies' approaches

15 This issue has been addressed in other international forums, e.g. the UNFCCC, the UN Open-ended Informal Consultative Process on Oceans and the Law of the Sea and the Human Rights Council, by establishment of Trust Funds which provide financial resources for developing countries, SIDS and LDCs, to enable active participation of their delegations in negotiations, including intersessional meetings*.

Suggested solutions to support SIDS and LDCs' participation in the IMO GHG emissions reduction work

16 The co-sponsors are open to other mechanisms, but propose two possible solutions:

- .1 IMO Member States assessed contributions are increased by at least 1% and put into a specific dedicated fund to be used by SIDS and LDCs' governments to participate in the ongoing formulation and future implementation of the Roadmap; and
- .2 20% of any fund established to assist with implementation of the IMO GHG emissions reduction strategy and administered by IMO, be set aside specifically to support the most needy IMO Member States. These States could be determined using a formula based on GDP, number of ships registered, reliance on imports, and height above sea level (or other measure of vulnerability).

17 The issue of the need for a fund has been raised before (ISWG GHG 4/2/3, paragraph 8). Financing is therefore required to support SIDS and LDCs' participation in addition to providing revenue for R&D relevant to SIDS and LDCs and to address negative impacts on them from adopting GHG emissions reduction measures.

Conclusion

18 The co-sponsors note that whilst there is recognition (as noted in paragraph 2 above) for both an equitable process and the specific needs of SIDS and LDCs, to date no realistic solutions of scale have been proposed. Failing economic contribution to the costs of SIDS and LDCs' participation, changing the venue of intersessional meetings or standing technical committees to the southern hemisphere would assist.

19 The co-sponsors suggest that a Trust Fund or similar be established as a matter of priority, with the purpose of supporting the active participation of SIDS and LDCs in any future working arrangements agreed by the Committee, and that a proposal for an Assembly resolution to this effect be adopted at this session with a view to its consideration and adoption by the thirty-first Assembly in November 2019. A draft proposal for such a resolution is set out in the annex to document MEPC 74/7/13.

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https://unfccc.int/files/secretariat/budget/funding_at_the_unfccc/application/pdf/trust_fund_for_participati_on_in_the_unfccc_process.pdf; <https://www.un.org/ldcportal/united-nations-open-ended-informal-consultative-process-on-oceans-and-the-law-of-the-sea/> and <https://www.ohchr.org/EN/HRBodies/HRC/TrustFund/Pages/Mandate.aspx>

Action requested of the Committee

20 The Committee is invited to consider the proposals set out in this document and take action as appropriate.
