

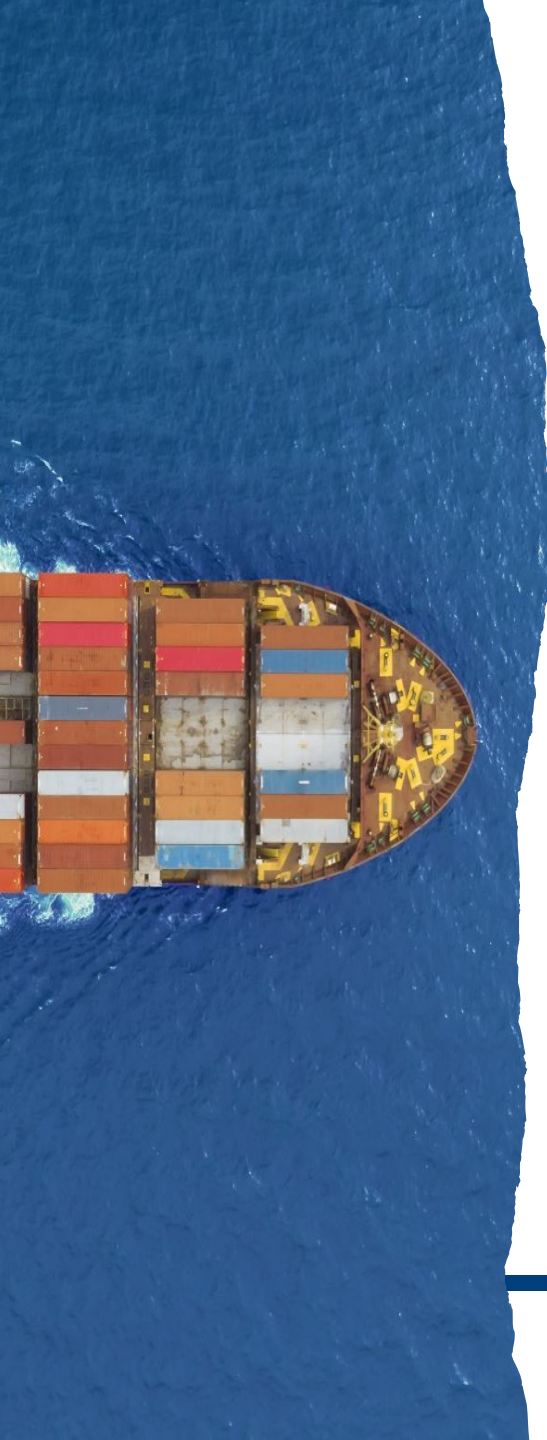
**XIV Interdisciplinary Seminar on Climate, Energy
and Sustainability: Oceans Special Edition**

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Faculty of Law, University of Copenhagen

CIL

CENTRE FOR INTERNATIONAL LAW
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**Developments, Barriers, Prospects
of **Mitigating Shipping's Impact on
Climate Change at the IMO:**
A Diachronic Approach**

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The image shows the exterior of a building with a textured, light-colored facade. A large, dark window is visible on the left side. On the right side, there is a circular emblem at the top, followed by the text "INTERNATIONAL MARITIME ORGANIZATION" in large, capital letters. A red horizontal bar is positioned at the bottom of the image.

Part 1

Emissions from Shipping – Significance and Overview

Emissions from Shipping

**No Shipping,
No Shopping!**



International climate change (CC) regime

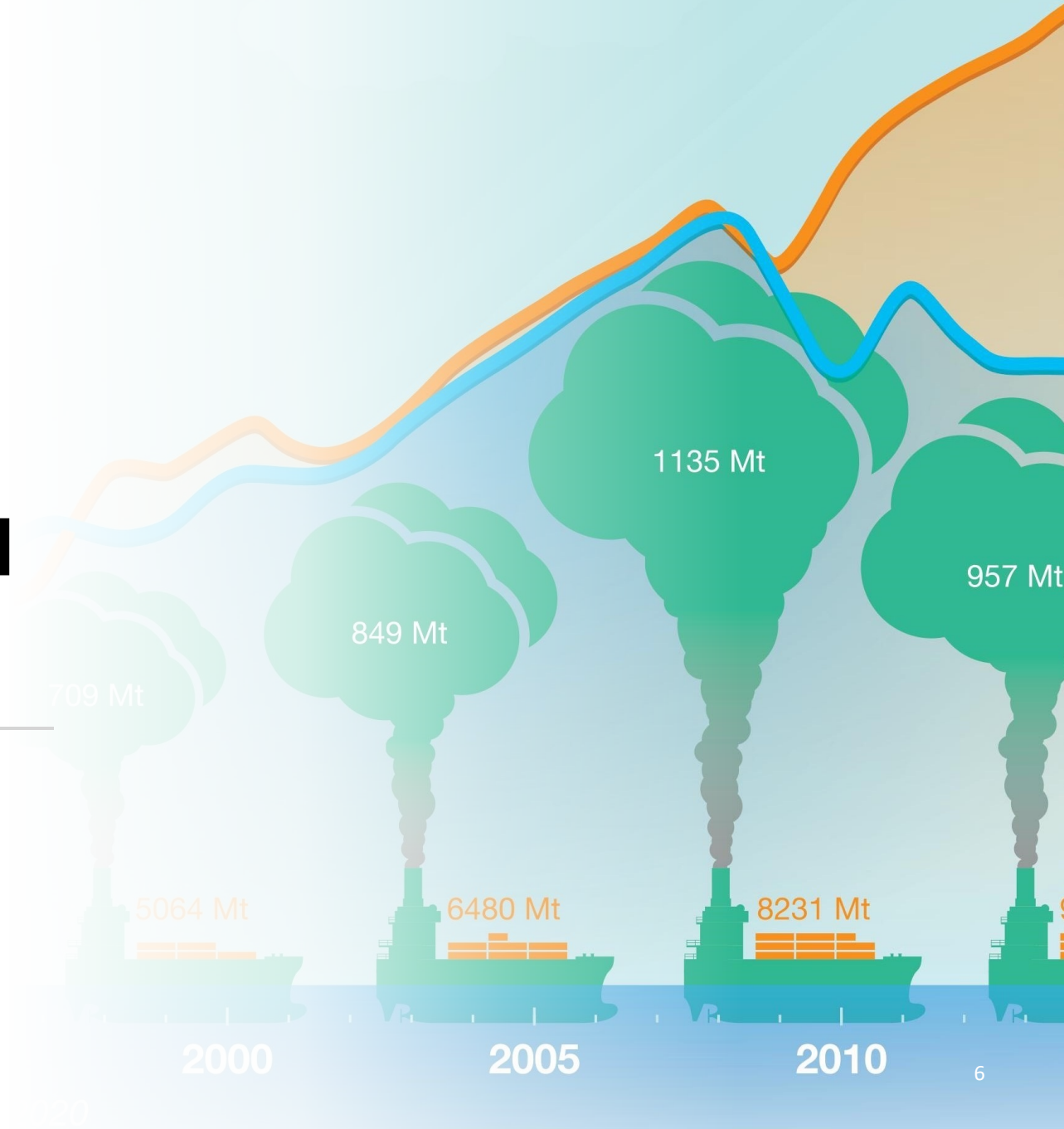
- The Big Debate over who regulates **ship-source pollution of the atmosphere?**
 - IMO regulates **international shipping** with regard to **safety**, protection of the **marine environment** (and later **security**).
 - CC regime regulates **national** emissions.
 - Who should regulate **air emissions/pollution from commercial ships?**

Overview

1. **Past to Present:** How has IMO's position changed over time?
2. How might future IMO measures look like?
3. Drivers, Barriers, Themes, Prospects for the Future

Part 2

Main Themes and Barriers



Findings

IMO responds to environmental pressure and chases technology

- **Fuel emissions** have been on IMO's agenda since 2000s, but it took the IMO **14 years** to implement legally binding measures in 2011.
- Idea of IMO GHG Strategy was first raised in 1998-2003, **took 20 years** to finalise the 2018 Strategy. **Response to environmental pressures.**
- In its 2023 Strategy, IMO responded to IPCC AR6 in 2022 to **unanimously** commit to **new heightened ambitions** (2x of 2018 targets and **Paris-aligned**), including the adoption of a **2030 target** for use of new technologies and alternative bunker fuels.

Driver: Industry

- ICS and IACS are among the **top ten submitters** to MEPC
- **Apr 2017: ICS** submitted proposal with other shipping organisations for IMO to adopt **3 Aspirational Objectives** for intl shipping:
 - **Very similar to the GHG Strategy ambitions/targets**

Driver: Industry

- **Shipping industry influenced by Paris/EU ETS:**
 - ICS Chairman, Esben Poulsen: *“It is very important that IMO sends a clear and unambiguous signal...with numbers and dates...in the same way that land-based activity is now covered by government commitments under the Paris Agreement.”*
 - **ICS stated it wants IMO to remain in control** of additional measures to address CO2 reduction by ships and **to develop a global solution, rather than risk the danger of market-distorting measures at national or regional level.**

Driver: Industry

- July 2017:
 - ICS, BIMCO, INTERCARGO and INTERTANKO made a detailed joint submission to IMO MEPC on **possible contents of its GHG reduction strategy**.
 - *“Industry proposes that IMO Member States – the same States that are parties to UNFCCC Paris Agreement – should agree an initial objective...”*
 - *“The global shipping industry has now come forward with clear proposals on how IMO can help it decarbonize...It’s now up to governments...[so] IMO can deliver [a GHG strategy]...”*

Theme: Market Based Measures (MBMs)

IMO responds to environmental pressure and chases technology

- In 2021: Energy efficiency is no longer enough as a solution for new climate targets. **Shift to Adoption of New Fuels** in late 2021 after COP 26.
 - Since 2009, MEPC 59 recognized that the envisaged **technical/operational measures may not be enough** and discussed possibility of **use of MBMs** such as ETS for maritime sector and creation of a fund, but could not get consensus due to CBDR.
 - IMO has now reintroduced discussions on **economic** measures (eg, **levies**).
 - But now framed as **part of a basket of incentives to promote** adoption of new fuels and/or technologies,
 - **rather than a stand-alone penalty** on emissions in the past where there were **no substitutes** to fuel oil.

Theme: Market Based Measures (MBMs)

- **Changed:** The institutional responsibility for maritime emissions has now been clarified for MBMs - IMO is the organization responsible.
 - References to working **with** the IMO were taken out of Paris text
 - IMO took the lead on this in 2016 after Paris by setting a roadmap. New GHG measures are **technology-driven**. Increased environmental consciousness at IMO.
- **Unchanged:** Same issues on MBMs from 2013 were unresolved and resumed in 2016 but **arises prominently today again 11 years later**
 - **CBDR principle versus. Equal / universal treatment at IMO** (for eg, 'no more favourable' treatment as an international sector)
 - Allocating Responsibility for emissions: if a ship reflags to developing countries with weaker implementation?
 - Funds for transition?

Theme: IMO's Response to Environmental Pressures/Technology

- Changed:

- Increased environmental pressure to 'net-zero' shipping: alignment with the Paris Agreement – Responds to its GHG Studies, and external CC developments includ. 2009 Copenhagen Conference, 2015 Paris, 2021 Paris 'Rulebook', etc.
- IMO Driving Technology: GHG strategy shifted from energy efficiency regulations to alternate technologies (eg. CCS and new fuels)
 - Efficiency measures **alone are no longer viable**, as shown by Third IMO Study of 2014
 - Alternative fuel/technology pathways are a necessity now.
 - **Tremendous increase in ambitions/pace of technological development**

Theme: IMO's Response to Environmental Pressures/Technology

- **Unchanged:** IMO's primary **focus on economic impact and equity** (developing states).
 - IMO collects data (Data Collection System, better GHG Studies)
 - IMO conducts Comprehensive Impact Assessment (economic costs and disproportionate impact **to States**)
 - Developing standardized emissions LCAs for setting **goals-based standards**
 - **Solution Agnostic**

Theme: Technology as a Driver of Progress

- **Changed:** How **fuel technology is an enabler** to break the political deadlock from 2030s onwards.
 - MBMs are now discussed not as a ‘penalty’ on fuel emissions, but as **a way to promote transition to new fuels** (MEPC 79/ISWG-GHG 13 in Dec 2022)
- 1. Nations with reliance or exports of **hydrocarbons** - **blue** hydrogen fuels
- 2. Nations with **renewable energy** - **green** fuels.
- 3. Nations with **agriculture** - **Biofuels**
- 4. Developing nations - new fuels provide less energy = more refuelling/bunkering
 - 1. **Serve as new strategic ports** (promise of economic development)
- 5. Developing nations especially **SIDS** are most at risk from **climate change**, and rely heavily on maritime trade
- 6. **Developing** nations get **access to transition funds** (proceeds from taxes)

Theme: Technology as a Driver of Progress

- **Unchanged (Barriers):** Large developing nations eg. China, India may object to economic measures to promote emissions technology (**disproportionate reliance on oil**, incurring more taxes, CBDR concern as they did in 2008)
- Technology might move quickly, but **IMO has to address any disproportionate impacts on States** before universal adoption.
 - **Any progress would have to be outside the IMO** eg,
 - **Unilateral** measures (eg EU ETS),
 - Port State arrangements of **green corridors**,
 - Flag State's acceptance of '**alternative design**' approaches based on class societies' rules, best practices and guidelines.

Thanks for your attention!

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