



UK CHAMBER OF SHIPPING POSITION ON THE IMO'S 2050 CLIMATE TARGET

Climate change is an existential threat to our society, and there is a moral responsibility to all parts of our society to act with great urgency. Therefore, the UK shipping industry is determined to do its fair share and support urgent action necessary to transition to decarbonisation.

In 2018 the International Maritime Organization (IMO) adopted an initial strategy on reduction of GHG emissions from ships. The strategy asks the shipping industry to improve its efficiency by at least 40% by 2030 and reduce its absolute emissions by at least 50% by 2050 compared to 2008.

The strategy also includes a specific reference to “a pathway of CO2 emissions reduction consistent with the Paris Agreement temperature goals”.

IN VIEW OF THE FORTHCOMING REVISION OF THE IMO'S INITIAL STRATEGY BY 2023, THE UK CHAMBER OF SHIPPING ASKS THE IMO TO COMMIT TO A NET-ZERO CARBON BY 2050 TARGET, IN LINE WITH THE PARIS AGREEMENT GOAL IN KEEPING THE GLOBAL TEMPERATURE TO 1.5°C PRE-INDUSTRIAL ERA LEVELS.

WHAT NEEDS TO HAPPEN TO ACHIEVE NET-ZERO CARBON BY 2050?

The Net-Zero Carbon by 2050 target is the most ambitious task that the global shipping sector has ever taken on and requires concrete actions by ship-owners, the IMO, the Member States and other stakeholders starting right now!

To date, no alternative net-zero carbon fuel has been identified that can, at scale, cost-effectively compete with the existing fuels, and it is recognised that the cost to convert will be significant. To incentivise stakeholders, a global Market-Based-Measure (MBM) is required that will effectively cost the impact of existing fuels on the environment and that will encourage the transition towards decarbonisation.

AS A MATTER OF URGENCY IMO NEEDS TO DEVELOP AND BRING INTO FORCE A GLOBAL MBM.

Until market-based measures have taken effect the industry needs a mix of energy efficiency policy measures to force the pace of change. The IMO has already established the EEDI as the technical measure to drive the reduction of emissions of new ships and the proposed EEXI and CII as technical and operational measures to drive reduced emissions from existing ships. However, once an MBM is in place, it may be possible to retire a number of the indexes and other measures, subject to a rigorous review and overview of the overall progress towards net-zero.

THE IMO SHOULD REVIEW AND RETIRE AS APPROPRIATE ANY MEASURES THAT MIGHT BE REDUNDANT ONCE AN MBM IS IN EFFECT

Technological innovation is a critical accelerator and enhancer of implementing the ambitious Net-Zero by 2050 goal. The IMO Initial Strategy has already identified R&D as a critical element in meeting the climate-change goals. However, so far, it has failed to take any concrete action. In the longer term this funding could be provided from the money raised from an MBM. However, it is imperative that the research is funded in the short term, and this could be achieved by the IMO approving the IMO Maritime Research Fund (IMRF).

THE IMO NEEDS TO APPROVE THE INTERNATIONAL MARITIME RESEARCH FUND AT THE NEXT MEETING OF MEPC AND BRING IT INTO FORCE FROM THE EARLIEST PRACTICAL DATE

The speed of the decarbonisation of the international shipping industry is also determined by the ability of ports and the fuel supply chain around the world to have adequate infrastructure that will enable safe refuelling and recharging of zero-emission ships. The IMO Member States must lead the planning and accelerate the mobilisation of investment in large-global scale port infrastructure, including the reliability of the fuel supply chain. This will ensure that infrastructure will not be a barrier to achieving the Net-Zero Carbon by 2050 goal.

IMO MEMBER STATES NEED TO ACCELERATE THE DEVELOPMENT OF PORT INFRASTRUCTURE AND SUPPLY CHAIN OF SUSTAINABLE NET-ZERO CARBON ENERGY SOURCES AS A MATTER OF URGENCY.

According to the definition from IPCC SR15, net-zero carbon dioxide emissions are achieved when anthropogenic CO₂ emissions are balanced globally by anthropogenic CO₂ removals over a specified period.

The UK Chamber of Shipping supports that high quality certified offsetting should be allowed but it should be the last and not the first step in meeting the industry's GHG Strategy 2050 target and the shipping industry should primarily seek to reduce its impact on climate change by deploying zero-carbon energy sources and technologies.

OFFSETTING SHOULD BE ALLOWED IN ORDER TO ACHIEVE THE TARGET OF NET-ZERO BY 2050.

If the industry moves to a net-zero ambition by 2050 this removes the thorny issue of where the starting point for any emissions reduction target should be set. However, the UK Chamber of Shipping supports that the 2008 baseline should be retained for all of the levels of ambition to ensure continuity for measurement of progress.

IN ANY TARGETED REDUCTION OF GREENHOUSE GAS EMISSIONS, THE BASELINE SHOULD BE 2008.

The "Getting to Zero Coalition" initiative defines "zero-carbon energy sources" as:

- ➔ Fuels that do not result in the emissions of the six GHGs covered by the UNFCCC/Kyoto Protocol;
- ➔ Fuels derived from zero-carbon electricity, biomass and the use of CCS, but not of CCU derived energy sources based on the combustion of fossil fuels;
- ➔ Take into account the full lifecycle emissions (well-to-wake).
- ➔ Exclude non-sustainable energy sources, including biofuels, brown ammonia and unsustainable wind and solar;
- ➔ Cover energy sources and fuels that collectively have the potential to be scalable for the supply of all of the shipping's energy demand in 2050, taking into account foreseeable constraints of volumes available for shipping in recognition of the likely demand from other sectors.

The UK Chamber agrees with the getting to zero coalition's definition as well as the view that there needs to be a transition period during which upstream emissions of some energy sources are non-zero. Vessels should not be penalised for the use of high carbon fuels for example zero carbon fuels derived from natural gas that have higher WtW emissions than fossil fuel oil when lower emission fuels are not available but should not derive commercial benefit associated with using lower cost higher carbon alternatives in order to ensure demand and thus supply of low carbon options transitioning to net-zero emission energy sources over time.

NET ZERO FOR THE SHIPPING INDUSTRY SHOULD BE BASED ON THE WELL-TO-WAKE EMISSIONS COME 2050.