

MARINE ENVIRONMENT PROTECTION
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Agenda item 7

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REDUCTION OF GHG EMISSIONS FROM SHIPS
**Establishment of an International Maritime Research and Development Board and an
IMO Maritime Research Fund**

Submitted by the Republic of the Marshall Islands[, Tuvalu] and Solomon Islands

SUMMARY

Executive summary: This document comments on the proposal in document MEPC 78/7/3 to expedite approval of an International Maritime Research and Development Board, from the perspective of a Pacific Small Island Developing States (SIDS)

Strategic direction, if applicable: 3

Output: 3.2

Action to be taken: Paragraph 10

Related documents: MEPC 78/7, MEPC 78/7/3, ISWG-GHG 12/3/8, MEPC 77/7/23, ISWG-GHG 10/5/2, MEPC 76/7/7, MEPC 75/7/13, MEPC 75-7-4

INTRODUCTION

1. This document is submitted in accordance with paragraph 6.12.5 of the document on Organization and method of work of the Maritime Safety Committee and the Marine Environment Protection Committee and their subsidiary bodies (MSC-MEPC.1/Circ.5/Rev.1) and provides comments on document MEPC 78/7/3 (Liberia et al.).

2. Document MEPC 78/7/3 (Liberia et al.) requests the Committee to approve for circulation amendments to MARPOL Annex VI as revised in that document to establish the IMRB/IMRF, with a view to adoption by MEPC 79.

3. The cosponsors recognize that document MEPC 78/7/3 is an attempt to address issues raised by Member States including Small Island Developing States (SIDS). However, even in its adjusted form, the IMRB/IMRF proposal is not likely to either promote the interests of SIDS and LDCs in the rapid reduction in GHG emissions or alleviate detrimental effects of climate change on SIDS and LDCs, nor to facilitate an equitable transition to decarbonisation of international shipping.

DISCUSSION

4. The proposed changes do not address the most urgent issue which is to expedite the uptake and deployment of zero-GHG emitting technologies by reducing the price gap between new low- or zero-GHG emitting technologies and conventional fuels. Implementing the proposed IMRB/IMRF would demand the same effort, require the same legal basis and would establish similar regimes as introducing a levy of the type proposed in ISWG-GHG 10/5/2 (ICS and INTERCARGO) and in MEPC 76/7/12 and MEPC 77/7/4 (Marshall Islands and Solomon Islands). While the proposal emphasises that the establishment of the IMRB will have no cost implications for Member States or the Organization, it would however be a significant burden to the organisation and its members to establish it and to participate in its operation. This would duplicate efforts necessary for an MBM, but the IMRB/IMRF would not introduce any incentive to apply the technologies needed for a transition to low- or zero-GHG technologies.

5. The effect of an incentive to transition to low- or zero-GHG emitting technologies and the commercial choices of the technology and its timing, will depend heavily on the price gap and on the certainty of the level of any levy. Introducing an insignificant levy will not encourage first-movers to transition to fuels with the greatest potential to reduce GHG emissions, and may lead to postponement of investment decisions or to inappropriate investment decisions that increase rather than limit GHG emissions

6. Even though the proposed changes refer to comments concerning governance and oversight and use of revenues, they do not fully recognize that any oversight body established to determine priorities and allocation of funding must not be dominated by one group and must include representation from SIDS and LDCs. The proposed contribution to the GHG TC-Trust Fund covers only one limited aspect, and does not constitute a sufficient allocation to the needs of SIDS and the governance proposals do not eliminate the dominance of the shipping sector in the proposed IMRB/IMRF.

7. The initial impact assessment in document ISWG-GHG 12/3/8 (ICS), which analyses the possible impact of levies ranging from \$25 to \$400 per tonne of CO₂, concludes in, paragraph 89 of the Annex, that all of the many levy levels analysed, most seem to have impacts that fall within the average monthly volatility in the price of delivered cargo. If there is thus, according to the evaluation submitted by ICS, only a limited impact on most states, there is no strong argument for adopting a separate IMRB/IMRF levy of only a few dollars per ton.

8. The science, including the just released IPCC Working Group III Contribution to the IPCC Sixth Assessment Report (AR6), adds to the existing established knowledge that only substantive, immediate action across all sectors will avert the worst effects of the climate crisis.

CONCLUSION

9. As pointed out in document MEPC 78/7 (WSC), it is urgently necessary to establish a price on fossil GHG emission that effectively levels the playing field between low- or zero-GHG technologies and existing fuels with significant fossil GHG emissions. The efforts that would be necessary to adopt an IMRB/IMRF would be better used to adopt a levy that would close the price gap and could of course also include support of R&D and deployment.

ACTION BY THE COMMITTEE

10. The Committee is invited to consider the comments set out in this document and to take action, as appropriate.