What is needed to keep 1.5 on the table at MEPC80?



- a **vision** including an **equitable transition** to **complete decarbonization** by no later than **2050;**

- **levels of ambition** that include overall emissions interim reduction targets for **2030 (37%)** and **2040 (96%)** and clear parameters to **enable an equitable transition;**

- a **basket** of mid-term measures to be **adopted with urgency**, comprising, inter alia, a **universal mandatory GHG levy** with an entry price of **$100/ton CO2-eq** operational by **2025** and a **Global Fuel Standard** operational by **2030**; and

- the **majority of revenues** generated be directed to the **priority needs** of the **climate most vulnerable countries** and managed by an independent fund manager.

Whare are we at?

- a **vision** including an **equitable transition** to **complete decarbonization** by no later than **2050;**

Majority support for 100% no later 2050; Chair is challenging ET in vision; G7 supports “just and equitable transition.

- **levels of ambition** that include overall emissions interim reduction targets for **2030 (37%)** and **2040 (96%)** and clear parameters to **enable an equitable transition;**

UK, US, CAN,NZ support 2030/40, EU = X

No formal support for ET in LoA.

- a **basket** of mid-term measures to be **adopted with urgency**, comprising, inter alia, a **universal mandatory GHG levy** with an entry price of **$100/ton CO2-eq** operational by **2025** and a **Global Fuel Standard** operational by **2030**; and

No support for compressed timelines or greater definition of basket, general support for a levy but no definition, BRICS still conservative.
Still no agreement that GFS follows levy or how GFS enforced.

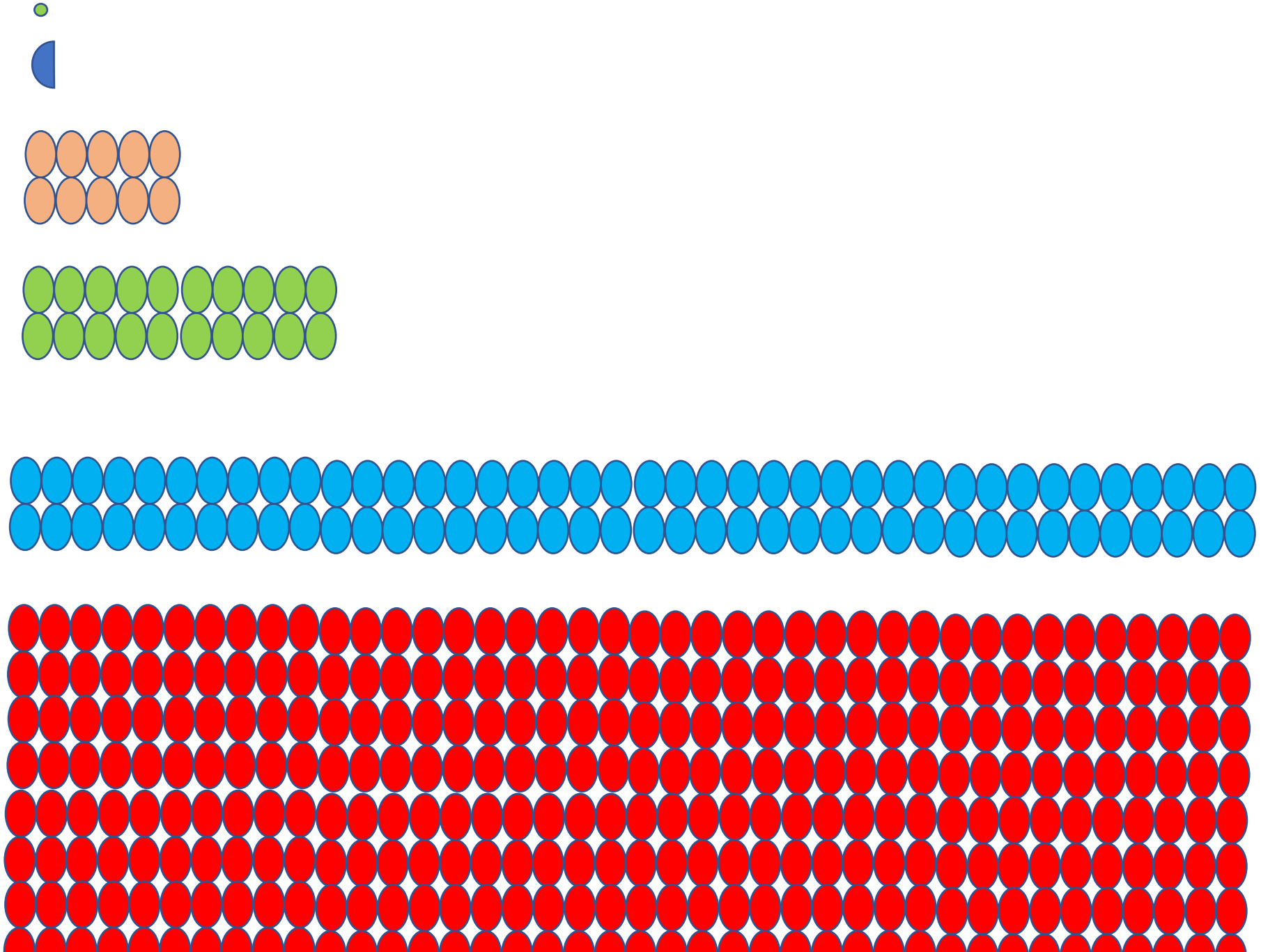
- the **majority of revenues** generated be directed to the **priority needs** of the **climate most vulnerable countries** and managed by an independent fund manager.

Still limited discussion on revenues use and management. No agreement to commission CIA at MEPC80. No agreement on how DNI is compensated.

TIMELINES

Target dates	EU, UK	RMI, SOLS	BRAZIL ET AL
MEPC 80 (July 2023)	• [Adoption of the Revised Strategy] • [Start procedure for CIA] • [Initiation of phase 3 of the workplan • Development of mid-term measures to be finalized targeting adoption by MEPC in 2025]	• Adoption of Revised Strategy • Transition from Phase II to Phase III • Initiation of CIA of mid-term measures	• Adoption of Revised Strategy
MEPC 81 (Spring 2024)	• [Specific development of MTMs and mid-term report for the CIA, to be completed before the adoption of MTM in 2025]	• Finalisation and agreement of mid-term measures	• Development of mid-term measures and its associated impact assessment
MEPC 82 (Autumn 2024)	• [Approval of the CIA and mid-term measure(s)]	• Adoption of Midterm measures	• Continue development of MTM's and impact assessments
MEPC 83 (Summer 2025)	• [Review of the Approved STM's to be completed by Jan 2026] • [Adoption of Mid-term measure(s)]	• Revision of the Approved short-term measures	• Continue development of MTM's and impact assessments
MEPC 84 (Spring 2026)	• [Consider and finalize potential adjustment to the short-term measures]		• Review of the Approved short-term measures
MEPC 85 (Autumn 2026)			• Consider adjustment to STMs • Continue development of MTM's and impact assessments
MEPC 86 (Summer 2027)			• Initiation of the review of the Revised Strategy • Continue development of MTM's and impact assessments and potential finalization
2026/2027	• [Entry into force of MTM's. To be defined for each measure but no later than 1 Jan 2027]		
[MEPC 90 / 91] [2030]	• [2030 Checkpoint] • [Effectiveness of adopted measures to be assessed as soon as data is available]		
[2040]	• [2040 Checkpoint] • [Effectiveness of measures to be assessed		

REVENUES

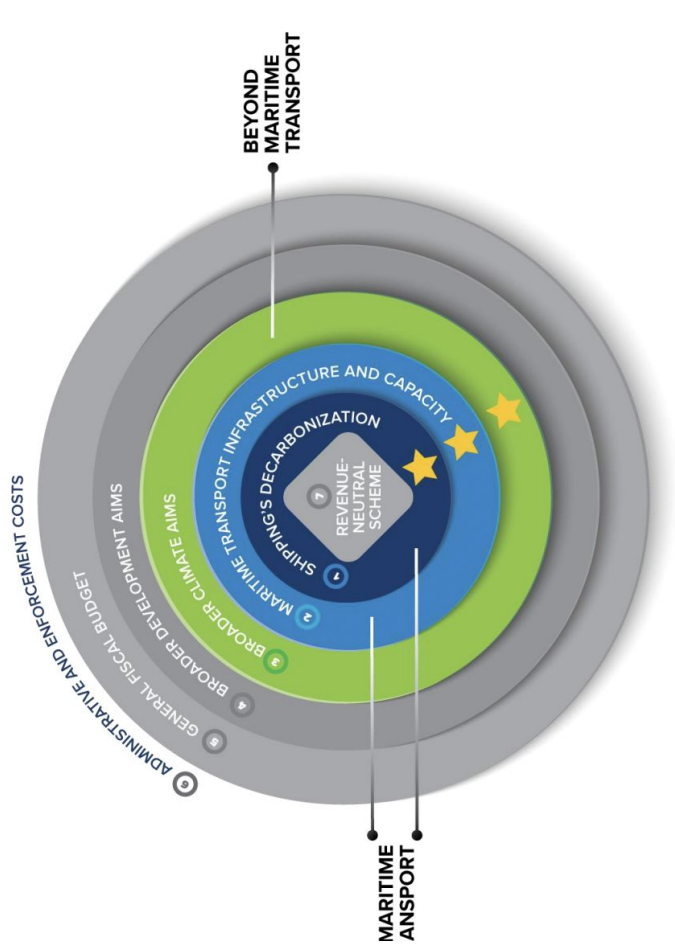


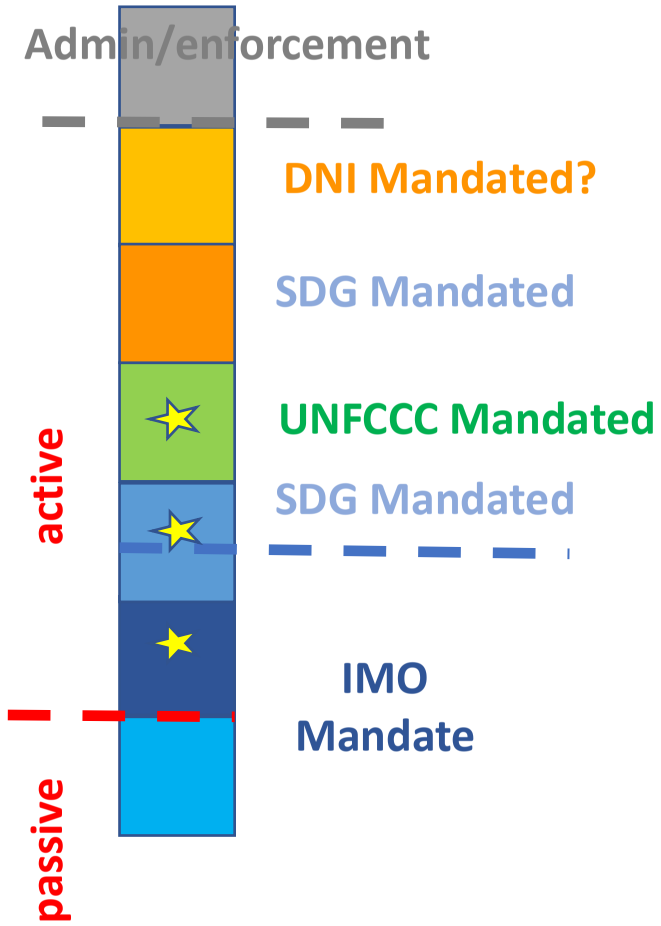
In 2021 the value of the global fleet was $1.2trillion
In 2023, $1.4trillion

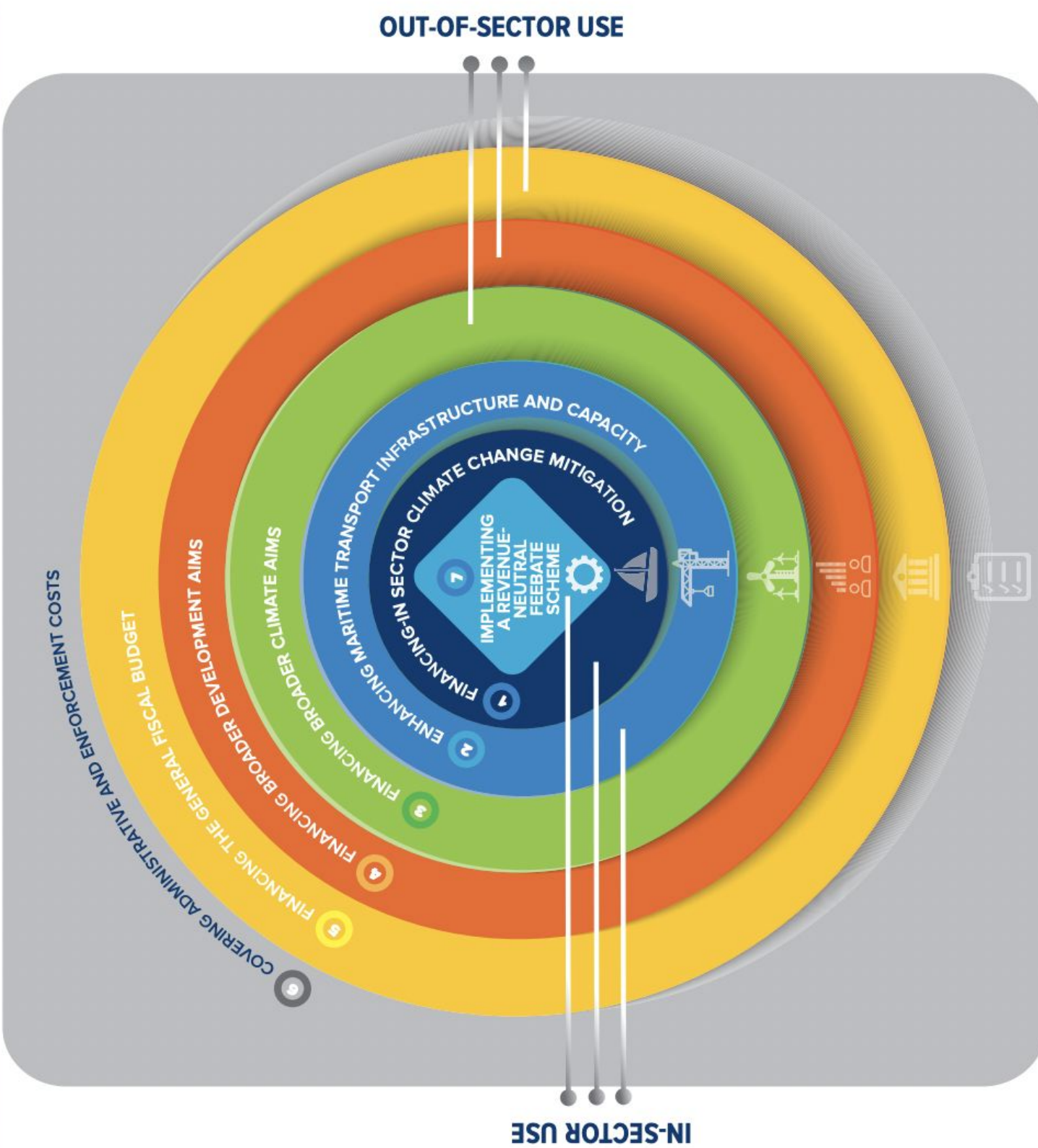
UMAS values the investment opportunity at $1.4trillion

WB values the levy at $60-80billion p.a

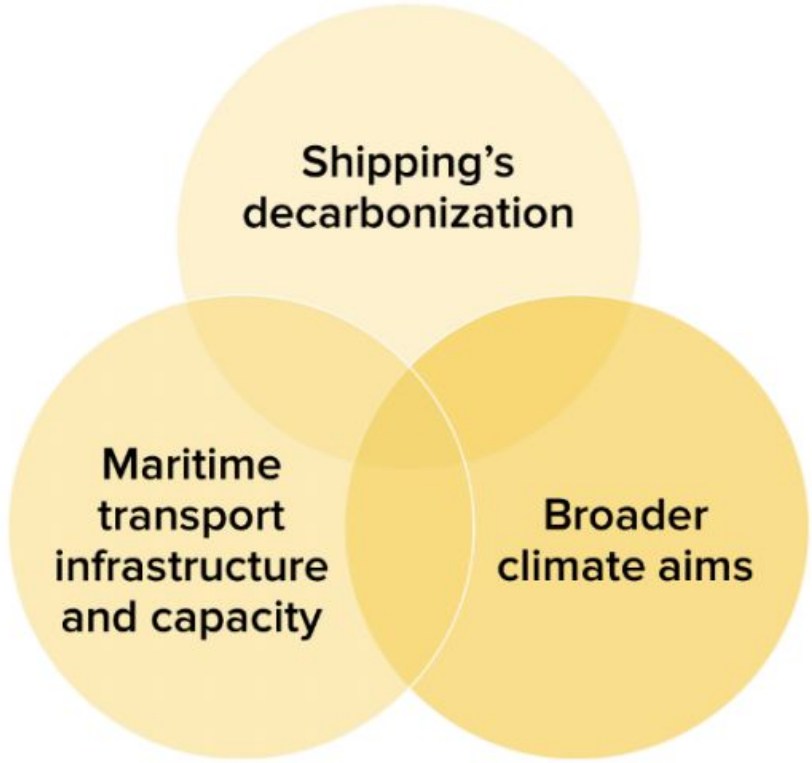
Container ships made $300 billion PROFIT in 2021/22


BEYOND MARITIME TRANSPORT
ADMINISTRATIVE AND ENFORCEMENT COSTS
GENERAL FISCAL BUDGET
BROADER DEVELOPMENT AIMS
BROADER CLIMATE AIMS
MARITIME TRANSPORT INFRASTRUCTURE AND CAPACITY
SHIPPING'S DECARBONIZATION
REVENUE-NEUTRAL SCHEME
MARITIME ANSPORT

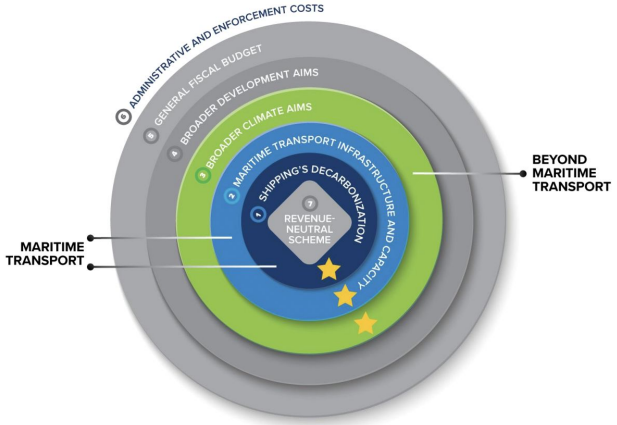

Admin/enforcement
DNI Mandated?
SDG Mandated
UNFCCC Mandated
SDG Mandated
active
IMO Mandate
passive


OUT-OF-SECTOR USE
COVERING ADMINISTRATIVE AND ENFORCEMENT COSTS
FINANCING THE GENERAL FISCAL BUDGET
FINANCING BROADER DEVELOPMENT AIMS
FINANCING BROADER CLIMATE AIMS
ENHANCING MARITIME TRANSPORT INFRASTRUCTURE AND CAPACITY
FINANCING IN-SECTOR CLIMATE CHANGE MITIGATION
IMPLEMENTING A REVENUE-NEUTRAL FEEBATE SCHEME
IN-SECTOR USE

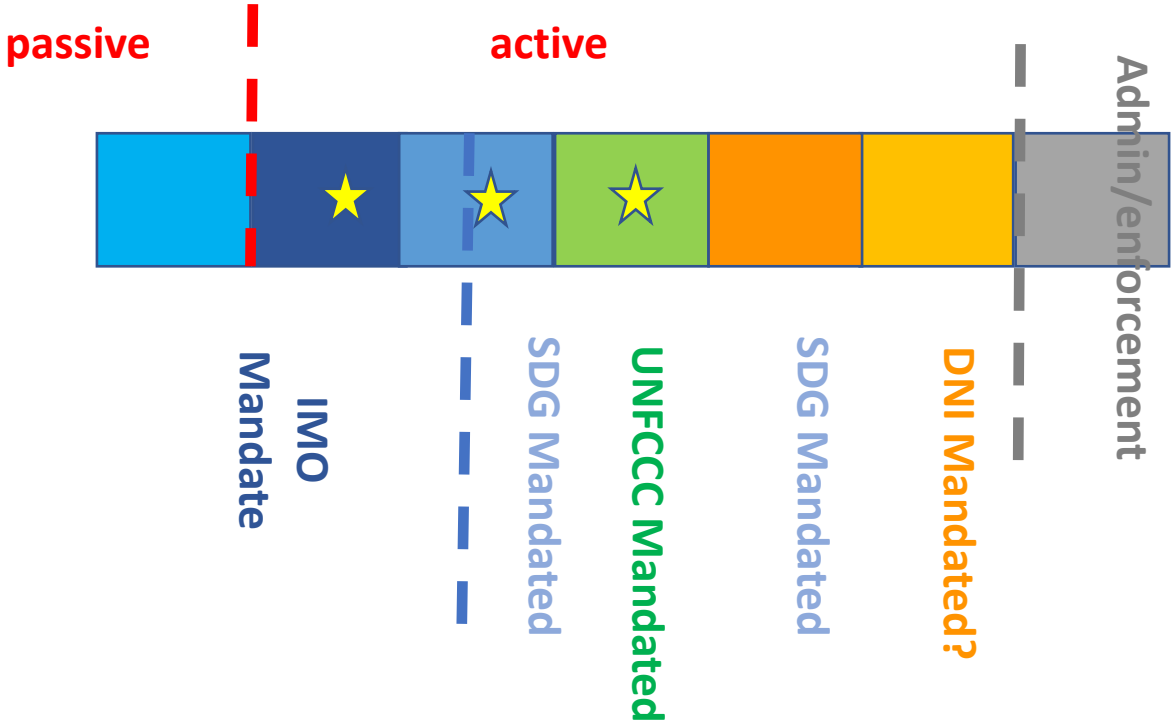
Scope	*Most aligned* use option	Examples
Maritime transport	**Shipping's decarbonization**	**Fleet upgrades and renewal** e.g., zero-carbon engines, energy efficiency technologies
		Zero-carbon bunker fuels[2] e.g., fuel production, storage, and distribution infrastructure; subsidies per unit of zero-carbon bunker fuel consumed
		Research and development e.g., for engines, alternative propulsion technologies, fuels, and energy efficiency technologies
	Maritime transport infrastructure and capacity	**Maritime transport infrastructure and services** e.g., port upgrades, adaptation, and digitalization; trade and transport facilitation
		Capacity enhancement e.g., capacity development, training programs
Beyond maritime transport	**Broader climate aims**	**Climate change mitigation** e.g., renewable power generation, storage, and distribution for non-shipping use; carbon sinks
		Climate change adaptation e.g., resilience and protection against extreme weather, flooding, and sea level rise







World Bank Revenue Distribution Model

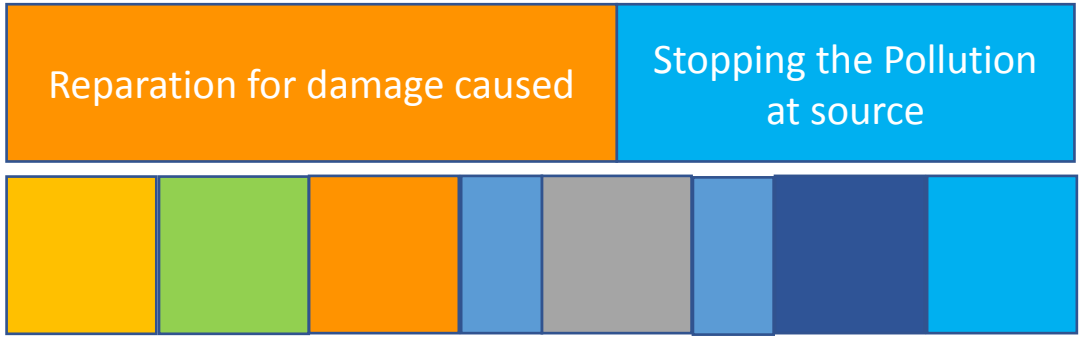


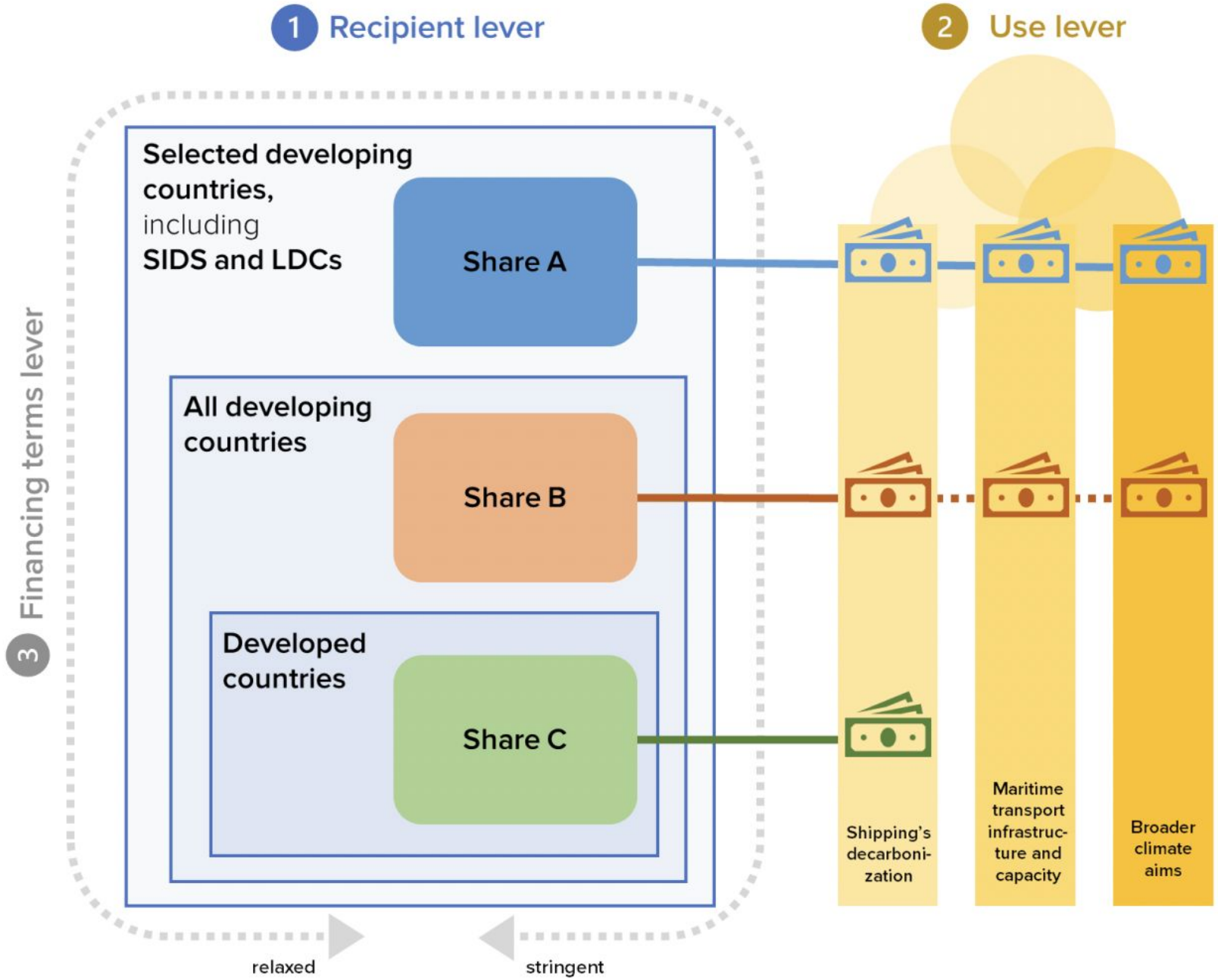


Mitigation
- Addressing the pollution source

Reparation
- Addressing the damage to environment (incl people and community)

Polluter Pays Revenue Distribution Model




1 Recipient lever
2 Use lever
3 Financing terms lever
Selected developing countries, including SIDS and LDCs
Share A
All developing countries
Share B
Developed countries
Share C
Shipping's decarboni-zation
Maritime transport infrastruc-ture and capacity
Broader climate aims
relaxed
stringent