



Title: The Next Breakthrough in Shipping Isn't on the Horizon. It's here.

Alternative Title: How international shipping could lead the way on climate change

David Kabua

President of the Republic of the Marshall Islands

Few think of the ocean as an epicenter for human ingenuity, but our history and future can be charted by our life on the seas. From the extraordinary voyages of my ancestors and other early Pacific Island peoples millennia ago to the trade, multilateralism and security provided by today's container ships and cargo vessels, many of our greatest leaps came from the innovation needed to cross the ocean. Today, about 80% of everything we eat and use comes to us by sea – an astonishing, often-overlooked indicator of how important shipping is to our global wellbeing.

The citizens of the Marshall Islands and many other nations are almost fully dependent on ocean trade; we have seen the benefits of shipping innovations, but also are witnessing the existential costs of climate change caused by the sector's burning of dirty fuels as rising seas consume our land and threaten the health and economic security of millions. These rapidly emerging risks illuminate a solution that will help everyone: to survive and continue to deliver global economic stability through trade, we must accelerate the transition to more environmentally friendly shipping technologies, and do so in a way that all countries benefit.

Zero emission shipping is not some far-off dream. Many countries – including mine and others in the Pacific – offer paths forward to accelerate the transition to zero-emissions fuels and a more equitable global economy. The breakthrough that will enable greater adoption of these and other planet-friendly strategies isn't technological; it's political.

In a few weeks, countries will meet at the International Maritime Organization (IMO), the little-known but highly influential UN agency that regulates international shipping. They will decide whether this sector will take climate challenge seriously, meeting the Paris goal of limiting warming to 1.5 degrees Celsius by setting targets that ensure zero greenhouse gas emissions from the sector by 2050. Equally important, they will determine if a greenhouse gas levy on global shipping can be used to make clean fuels cost competitive, while generating the funds necessary to finance this transition and ensure that the most vulnerable countries are supported as they deal with the impacts of climate change, as the Marshall Islands, Solomon Islands, and others in the Pacific have proposed.

This would be the first time a major industry has set a global price on the carbon it emits – a revolutionary idea that will serve as a precedent beyond the maritime sector. As groundbreaking for the shipping industry as the invention of the steam engine, this levy would catalyze the transformation of global trade, ushering in an era of sustainable and equitable shipping that would echo throughout global supply chains. If the revenues are shared with developing countries as we have proposed, they could



support investment in renewable energy, infrastructure and development of clean fuels such as green hydrogen and green ammonia in places like Africa and Latin America, transforming the global energy supply chain as well.

Marine fuel – the dirtiest fossil fuel – is a leading reason global shipping contributes approximately three percent of total greenhouse gases (GHG) annually, a significant impact from one industry. Moving to cleaner fuels would make an immediate difference. By introducing a greenhouse gas levy on well-to-wake emissions from shipping fuels, we would speed development and adoption of cleaner fuels within this decade by making them cost competitive. And investors, shipowners and downstream operators could commit the required capital to transition to clean technologies without fear of shifting regulations, which impose greater risks.

Critically for the billions of people who live in countries affected by climate change they did not create, this levy could unlock the means for us to mitigate our small share of emissions while preparing for and addressing already unavoidable climate change impacts.

Acting boldly now to align the IMO's goals with the Paris Agreement provides the shipping industry with the opportunity to lead change on its terms, and ensure that all players are able to make the transition to green technologies in an equitable and timely manner. Failure to do so is an endorsement of expensive, inefficient and inequitable patchwork of shipping emissions regulations, a threat that is already being realized through the EU's inclusion of international shipping in both its Emission Trading Scheme and Fuel Standard regulations. This will cause unimaginable disruption to global trade, add enormous additional costs, and undoubtedly exacerbate global inequities and instability.

We can avoid that perilous scenario if the IMO and other political leaders show the courage to commit to achieving the Paris targets and to enact a greenhouse gas levy. Doing so would herald the next great breakthrough in our illustrious seafaring history, and chart a course forward for the whole world on climate action.