

CHARTING THE COURSE TO **HIGHER AMBITION**

Outlining critical elements in a new IMO - GHG
Emissions Reductions Strategy

10th e-**bwebwenato** session

Save the Date

26TH OCTOBER, 2022

8AM FIJI &

MARSHALL ISLANDS

TIME.

Bwebwenato:

*to talk stories and share with one another in
the Marshallese language*



Bundle of PAC high ambition submissions:

- **MEPC 79/7/11**

Resolution – 100% no later than 2050, at least 80% by 2040

- **ISWG 13**

- Draft text for Revised Strategy
- Basket and Levy
- Equitable Transition



MEPC 79/7/11

Resolution – 100% no later than 2050, at least 80% by 2040

- Urgency

- Science

- Certainty

✓ Industry

#challengesandopportunities

✓ Climate vulnerable

#1.5tostayalive

✓ Global community

#onlyoneplanet

✓ Future generations

#notourbilltopay



- **Vision**

IMO is committed to an equitable transition of international shipping from current GHG emitting technologies and fuels as a matter of urgency and aims to phase them out completely by mid-century.

- **Levels of ambition**

- **environmental effectiveness** – WtW, no net, no offset, science-based
100% by no later than 2050, at least 80% by 2040

- **equitable transition** – no state left behind

- .1 Procedurally fair.
- .2 Equitable in relation to maritime mitigation
- .3 Equitable in responding to climate impacts

- **Governance principles**

- principles of polluter pays, equity, highest possible ambition,
- Recognition of the human right to a clean, healthy and sustainable environment

- **Basket of measures - *inter alia***

- Levy - effective by 2025
- GFS – effective by 2030



ISWG 13

Equitable Transition

At ISWG-GHG 12 RMI, SOL, and TUV called for:

- ‘no more than 1.5°C’ temperature limit.
- a sustainable and equitable global transition “requires more than achieving the temperature goal of 1.5°C”
- “no country should be left behind when implementing the Revised Strategy”.

– **equitable transition in the Revised Strategy.**

In addition to alignment with the 1.5°C temperature limit , the revised Strategy needs to be:

.1 Procedurally fair.

If we want an equitable solution, then surely we need equitable participation at MEPC80?

.2 Equitable in relation to maritime mitigation

This is a “Trillions Transition” – how do all states benefit from equitable technology deployment?

.3 Equitable in responding to climate impacts

With opportunity comes costs - isn't it time for shipping to pay its externalities, not the climate vulnerable or future generations?



ISWG 13

Levy and basket

MEPC 76/7/12, MEPC 77/7/4 - RMI & SOL have proposed a universal mandatory GHG levy with an initial entry price of \$100/tonne CO₂-equivalent.

At ISWG13 we are proposing that this levy:

- be adopted as the MBM component of a basket of measures in the Revised Strategy
- becomes operational in 2025
- is combined with a Global Fuel Standard (carrot and stick) in the basket.

The primary purpose of the levy is to address the price differential

A necessary by-product of an effective MBM is the generation of considerable revenues

Detail is provided on the collection of the levy

What needs to be agreed is:

- **Who will be the fund manager for the funds generated?**
- **What the funds will be spent on?**

Recommended that:

a dedicated agenda item at ISWG-GHG 14 on “options for disbursing and managing revenues” is included.





Questions:

Science is telling us that keeping no more than 1.5 degrees alive requires reducing emissions by at least 80% by 2040. Economics is telling us the cheapest solution is to go hard and go early. Industry has told us that the thing it requires most is certainty of the trajectory and speed of change required.

1. Is there any reason why we should be delaying setting the necessary minimum levels of ambition now?



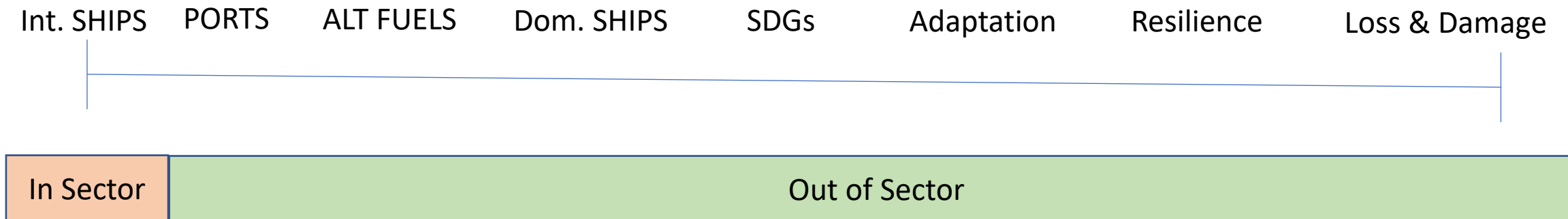
Questions:

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The by-product of a successful MBM will be significant revenues.

2. **What should revenues from an MBM be spent on and who decides?**





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2. What should revenues from an MBM be spent on and who decides?



3. **If shipping is not going to pay its externalities, who should pay:**

- **member states (and if so which ones)?**
- **the climate most vulnerable?**
- **future generations?**



Questions:

1. Is there any reason why we should be delaying setting the necessary minimum levels of ambition now?



2. What should revenues from an MBM be spent on and who decides?



3. If shipping is not going to pay its externalities, who should pay:

- Member states (and if so which ones?)
- The climate most vulnerable?
- Future generations?