

# What's next for the Pacific at the IMO



By DR PETER NUTTAL

IN less than a month, those member states of the International Maritime Organisation (IMO) attending the 80th Session of the Marine Environment Protection Committee (MEPC80) will decide which side of climate history international shipping is to be on.

MEPC80 will be a watershed for the global shipping industry as it agrees its Revised Strategy for greenhouse gas (GHG) emissions reduction and determines whether shipping commits to a 1.5C agenda – an equitable decarbonisation transition that is commensurate with Paris Agreement emission reduction targets.

A 1.5C agenda requires more than decarbonisation no later than 2050, which there is already majority support for.

A 1.5C agenda also – and more importantly – includes hard 2030 and 2040 interim targets and a real sharing of decision-making, knowledge and resources to ensure no state is left behind. Since 2015 a small, disciplined, and proactive coalition of Pacific Island states – the 6PAC (now 6PAC plus) – have valiantly raised the standard of high ambition in IMO shipping GHG emissions negotiations and are generally credited with being catalytic to current progress.

But while in 2018 they were successful in congealing a coalition of western and island states under a high ambition banner, as we approach the MEPC80 deadline and the detail of the revised text, the Pacific is increasingly isolated on calling for re-opening of the legal principles under which the strategy



**In less than a month, those member states of the International Maritime Organisation (IMO) attending the 80th Session of the Marine Environment Protection Committee (MEPC80) will decide which side of climate history international shipping is to be on.**

Picture: SUPPLIED

is implemented and for embedding the sector's commitment to equitable transition into both the vision and the levels of ambition. Unfortunately, these are needed for 1.5 to stay alive.

We can expect this highly principled stand by those nations most vulnerable to climate change to come under extreme pressure as small island developing states (SIDS) and other small states are asked to compromise down in the interests of achieving at least some form of consensually agreed ambition. The Pacific's position is well set.

Consistently since 2015 it has articulated that 1.5C was already a major compromise; 1 degree of global warming was already too much and anything over 1.5C a redline that the Pacific cannot afford to be breached.

Refusal by most in the international community to agree to this was tantamount to a death sentence on ancient, sovereign, and largely innocent cultures and an increasing burden on future generations.

A 1.5C commensurate revised strategy at MEPC80 would require a major effort by a group of states not normally vocal in these proceedings to step up alongside the Pacific.

They must acknowledge the reality that not acting at all (or not enough) will always come at a greater cost than acting decisively, and that the cost only increases the greater the delay. Not agreeing to actively support the highest ambition measures is a false economy for them, indeed all, states and will come with increased future bills.

The entire world may still have to pay for ever increasing

climate response costs from a failure to stop warming at source, in time.

Regardless of this, shipping's transition is underway. It will be the biggest investment opportunity ever for an industry already awash with windfall profits, a trillions transition.

As with any transition there will be winners and losers.

At this stage of the negotiations, the big winners will mostly likely be the nation states and their related industries already most heavily invested in both trade and shipping – and SIDS and least developed countries (LDCs) have already been identified as likely particularly disadvantaged but without any real insurance their real needs will be addressed adequately.

The window of opportunity for shipping to emerge on the right side of history at MEPC80

is narrow and fast closing.

There is no longer room for ambiguity, it is no longer constructive. If the worst effects of the climate emergency are to be avoided, clarity and certainty are demanded, now.

The world's most vulnerable actors have no further room to compromise.

The risks to other states of the measures they have proposed for inclusion in the revised Strategy are less than the costs to those same states of not acting.

The vested short-term interests of the large and powerful are clearly visible.

■ **Dr Peter Nuttall is the science and technical advisor for the Micro-nesian Centre for Sustainable Transport (MCST). The views expressed in this article are his and not that of this newspaper.**



The Suva Harbour. Picture: FT FILE

# What's next for the Pacific at the IMO

By Dr Peter Nuttall

## Part 2

If ever there was a time for ambitious, decisive, and urgent leadership at the International Maritime Organisation (IMO), it is now.

The science could not be less ambiguous about the fact that decarbonisation must happen now and with all urgency. The messaging from both the UN and the IMO Secretary Generals is consistent that this change must come now and the progressive sector of the industry has already begun the investment process. All experts are aligned that an ambitious price of greenhouse gas (GHG) emissions is needed now.

Despite years of intensive lobbying for the climate vulnerable to be empowered to participate in this most critical of debates, the decision of what strategy to pursue will likely be determined by the same imbalanced representation at the 80th Session of the Marine Environment Protection Committee (MEPC80) plenary of developed and large shipping nations that has dominated IMO's decision-making for decades.



Dr Peter Nuttall. Picture: SUPPLIED

And despite unanimous agreement by every delegation that has spoken thus far that 'no state should be left behind', there is no support for empowering this principle within the revised text.

This leaves the most likely outcome as being a weak strategy that commits to an overall 2050 target but fails to agree on either the substantive interim targets needed (for 2030 and 2040) or the right tools to do the job.

Given the urgency under which this transition agenda must be executed, an ambitious GHG levy needs to be operational by 2025 with a full global fuel standard in full force by 2030.

Failure to achieve this level



All experts are aligned that an ambitious price of greenhouse gas (GHG) emissions is needed now. Picture: FT FILE

of detail at MEPC80 would most likely spell an end to the 1.5C ambition.

The lack of support in 2023 from those previously expressing commitment to high ambition needs some digging to understand.

The role that the Pacific played in providing a focus and vehicle for, particularly European, expression of high ambition in driving through the concept of a strategy and initial levels of ambition is important to digest.

The current European posi-

tion of constructive ambiguity on the economic measures and on the interim targets, alongside the US's continued repetition of the phrase 'premature' in regard to any discussion on revenue use, and the continual smoke screen of voluntary green corridors and similar initiatives from many developed countries, now combines to slow down momentum and the focus on 1.5C.

A clear commitment to equitable transition in the Strategy's vision and levels of ambition has

been obfuscated by the US and others burying it in the weeds of labour-related issues.

Yes, ensuring seafarers transition is critically important but surely a secondary sideshow to the major debate on inter-state equity. So why is it so unlikely to happen and why does MEPC80 have such high potential to disappoint?

Is the lack of coordination and positioning among the so-called high ambition states due to poor diplomacy, mis-messaging, and distractions?

Or are such continued side issues and distractions meant to blunt any overall progress on high ambition and the real issues on the table, as part of the playbook of self-interested states? The discussion continues in Part 3 in the business section on Thursday.

■ Dr Peter Nuttall is the scientific and technical advisor to the Micronesian Centre for Sustainable Transport and has been advising Pacific governments on shipping decarbonisation and development issues over several decades. The opinions expressed in this article are strictly his and not of this newspaper.

# What's next for the Pacific at the IMO?



By DR PETER NUTTALL

LET'S start with Europe. The EU has confirmed shipping within its regional Emissions Trading System (ETS), would include charges for 50 per cent of international voyages, and a European Fuel Standard with penalty charges, thus regulating states beyond the EU.

The ETS has been unequivocally advanced through the EU Council and Parliament under the internationally recognised principle of Polluter Pays, while at IMO the EU has introduced a new list of 'principles', seemingly unrelated to its regional justification.

Within its regional agenda, there is no ambiguity in the European positioning. Clear and precise targets and review mechanisms are set for 2030 and 2040 unlike at the IMO. Given that the revenue is being collected, in many instances, from economies much poorer than Europe's, this can only increase inequity, not address it.

It is hard to see how this income earning mechanism can be justified under the much-trumpeted principle of polluter pays, given that it is the EU receiving all the benefit. Of course, a regional scheme for the Pacific would be counter-productive, there is simply no economic trading weight to leverage, getting ships to stop from time to time is enough of an issue.

While agreeing an equitable



The article explains the different positions held by the states at IMO and how they have evolved and what this means to the negotiations and the positions of the Pacific states. Picture: SUPPLIED

process at IMO scale may be difficult, like decarbonisation, it is achievable. Achieving equity via a series of regional programs is not. It can only increase, not decrease the existing inequity. For the US, as with Japan and the International Chamber of Shipping (ICS) and inferred in the EU, United Kingdom (UK) and Canadian positions, equitable transition is a problem that can be solved by diverting a small amount of limited revenue into a bucket for development type "projects" for poor countries.

That an actual equitable transition will require real investment of hundreds of billions into the south in both in-sector and climate response funding in a relatively short time span is again effectively obscured in the rather antiquated gentlemen's club processes of the IMO debates.

All this of course does nothing to help states like the Philippines, struggling to protect a

national employment sector of critical importance while also a very climate vulnerable country that can expect to be hit hard by both climate response and transport related cost increases. Once the greatest maritime nation on earth, the UK can be expected to swing between the marginal ambition positions of its European and US allies, not wanting to be reminded of its own historical climate liabilities and risks.

The submissions of the Pacific and the World Bank are the only ones to date to begin to grapple with the real issues around emissions pricing and revenue disbursement from any levy-type scheme. For the Pacific, it is a case of survival. Anything less than an agenda that respects the 1.5C goal—both through emissions reduction and concrete commitments to equitable transition—is going to be too great a compromise to agree to. The archaic nature of the IMO means that there

is still no real equitable participation by the climate most vulnerable in this forum.

Despite making up more than one third of IMO membership, island and lesser developed states are only a small minority of the decision-makers in IMO committee plenaries held inside an institutional architecture heavily stacked in favour of the interests of the larger and most powerful trading countries and the shipping industry's short term and profit driven agenda.

The simple fact is that the most momentous decisions with the most far-reaching consequences ever to be negotiated at IMO are being taken, not by a democracy of nations with common interest acting in accordance with accepted international legal norms, but by a heavily skewed representation of large trading and emitting states and industry invested members.

The great majority of the poor-

est and most climate vulnerable countries, those states that will ultimately be most affected by shipping's decision as to the speed and trajectory at which it will stop emitting and coincidentally, those most likely to be disproportionately negatively affected, have simply not been in the room.

It has taken more than five years of persistent requests from the Pacific for the IMO Council to finally agree a voluntary trust fund to provide marginal representation for the states most vulnerable to climate change, to some selected IMO meetings. It may begin to be implemented this year, with some delegations being assisted to participate at the MEPC80.

While being hailed at IMO as another leap forward into a modern world, the reality is that it is another tiny and long delayed step in the scheme of what is actually required. The problem with taking the cheapest but politically available option, is that it simply doesn't do the job.

Delaying real action, including a proper price on shipping GHGs and revenue disbursement to enable real equitable transition at scale and speed, is simply passing this generation's costs to the next, with compounding interest. It does not address the climate emergency that engulfs us all now. If the real and significant costs of an equitable transition are not to be met by the revenues from a global levy on shipping fuel, who is going to pay them? Only two other choices remain, nation states or future generations.

■ Dr Peter Nuttall is the scientific and technical advisor to the Micronesian Center for Sustainable Transport and has been advising Pacific governments on shipping decarbonization and development issues over several decades. The opinions expressed in this article are strictly his own.