



MARINE ENVIRONMENT PROTECTION
COMMITTEE
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PREVENTION OF AIR POLLUTION FROM SHIPS

United Nations Framework Convention on Climate Change (UNFCCC)

The Accra Climate Change Talks held in Accra, Ghana, from 21 to 27 August 2008

Note by the Secretariat

SUMMARY

<i>Executive summary:</i>	This document reports on the Accra Climate Change Talks which continued the considerations on the follow-up of the Kyoto Protocol based on the Bali Action Plan
<i>Strategic direction:</i>	7.1
<i>High-level action:</i>	7.1.1
<i>Planned output:</i>	7.3.1.3
<i>Action to be taken:</i>	Paragraph 7
<i>Related documents:</i>	Resolution A.963(23); MEPC 57/4/6 and MEPC 57/21

Background

1 As reported in document MEPC 58/4/5, the Secretariat attended the Accra Climate Change Talks 2008, held in Accra, Ghana, from 21 to 27 August 2008 where the following UNFCCC *ad hoc* working group meetings took place:

- .1 third part of the fifth session of the *Ad hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol – AWG-KP 5 (3rd part); and
- .2 the third session of the *Ad hoc* Working Group on Long-term Co-operative Action under the Convention – AWG-LCA 3.

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The Bali Action Plan

2 The thirteenth session of the Conference of the Parties to the UNFCCC (COP 13) was held in Bali, Indonesia, in December 2007. The Conference adopted Decision1/CP.13, the so-called Bali Action Plan, outlining the necessary long-term co-operative action under the UNFCCC on the four areas earmarked as critical to meet the immediate challenges of climate change, namely; adaptation, mitigation, technology and financing. The draft decision was attached to document MEPC 57/4/6 (Secretariat) and the final decision may be downloaded from:

<http://unfccc.int/documentation/decisions/items/3597.php?such=j&volltext=/CP.13#beg>

Considerations relating to the work of IMO

3 A number of submissions and background documents considered by the Accra meeting briefly mentioned emissions from international aviation and maritime transport but only one concrete proposal directly related to IMO's work on reduction of GHG emissions from ships was submitted. A proposal by the Government of Norway, contained in document FCCC/AWGLCA/2008/MISC.2 (Paper NO, 4A: Norway, pages 46 and 47), recommended that the 15th Conference of the Parties to the UNFCCC (COP 15) to be held in Copenhagen, Denmark, in December 2009, should adopt:

- .1 a decision which should include an emission target on total greenhouse gas emissions from international shipping; and
- .2 an invitation to IMO to develop the legally binding regime(s) which is needed in order to meet such an emission target.

The full text of the Norwegian submission may be downloaded from:

http://unfccc.int/files/kyoto_protocol/application/pdf/norway_finance.pdf

4 No in-depth consideration of the Norwegian proposal took place and no decision was reached, although a number of parties supported the proposal and one Party argued that UNFCCC should regulate emissions from international civil aviation and maritime transport as ICAO and IMO did not respect the fundamental principles of the UNFCCC.

5 The considerations of possible inclusion of international civil aviation and maritime transport in the post-2012 UNFCCC regime will continue in Poznan, Poland, in December 2008 (paragraph 7 of document MEPC 58/4/5).

IMO's contribution to the Conference

6 No official document was submitted by the IMO Secretariat to the Accra meeting. An informal document reporting on the outcome of GHG-WG 1 was circulated to Parties and observers at the meeting and is set out at annex.

Action requested of the Committee

7 The Committee is invited to note the information provided and take action as appropriate.

ANNEX

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

AWG-LCA 3 and AWG-KP 6, Accra, Ghana, 21 – 27 August 2008

INFORMATION BY IMO

At the meetings of the subsidiary bodies of UNFCCC in June this year, IMO reported, in document FCCC/SBSTA/2008/MISC.9, the progress made on establishing a mandatory GHG regime for international shipping. In that report, the holding of an intersessional meeting at the end of June 2008, was reported as the next step in IMO's endeavour to limit and reduce GHG emissions from international shipping, recognizing that CO₂ is the most significant GHG emitted by international merchant shipping.

Although shipping is a clean and environmentally friendly mode of transport, carrying more than 90 per cent of world trade by mass, safely and energy efficiently around the world, also the shipping industry wants to contribute and do its fair share of minimizing emissions from burning of fossil fuel.

The first Intersessional Meeting of the Working Group on Greenhouse Gas Emissions from Ships (GHG-WG 1), which was attended by more than 210 delegates comprising experts from all over the world, was held in Oslo, Norway, from 23 to 27 June 2008. The week-long session was tasked with developing the technical basis for the reduction mechanisms that may form part of a future IMO regime to control GHG emissions from international shipping, for further consideration by the fifty-eight session of IMO's Marine Environment Protection Committee (MEPC 58) in October this year.

Although, to date, no mandatory IMO instrument on GHG for international shipping has been adopted, IMO has given extensive consideration to the matter and is currently working in accordance with an ambitious work plan adopted by MEPC 55 in October 2006, due to culminate, in 2009, with the adoption of a binding instrument.

The intersessional meeting in Oslo addressed market-based, operational and technical measures needed to achieve limitation or reduction of GHG emissions from international shipping.

In particular, the meeting developed further a formula and the methodology, as well as draft text for the associated regulatory framework, for a proposed mandatory CO₂ Design Index for new ships based on submissions by Denmark and Japan. Once finalized, the index will serve as a fuel efficiency tool at the design stage of ships enabling comparison of fuel efficiency of different ship designs, or a specific design with different input such as installed propulsion power, hull shape, choice of propeller or the use of wind, solar or waste heat recovery systems. With this outcome, and a number of submissions containing comments on the formula and proposals to improve the robustness, MEPC 58 should be in a position to approve the CO₂ design index for new ships and agree on the final details when it meets in London in early October 2008.

The intersessional meeting also considered the interim CO₂ operational index and identified areas where changes have been proposed. The interim CO₂ operational index was adopted by MEPC 53 in July 2005 and has been used to establish a common approach for trials on voluntary CO₂ emission indexing, enabling shipowners and operators to evaluate the performance of their fleet with regard to fuel efficiency and CO₂ emissions. The draft CO₂ Operational Index is put forward to MEPC 58 with the view to finalize the indexing scheme at that session.

The intersessional meeting reviewed best practices for voluntary implementation and developed further guidance for the ship industry on fuel efficient operation of ships. The meeting considered best practices on a range of measures as identified by earlier sessions of MEPC and how they can be implemented by ship builders, operators, charterers, ports and other relevant partners to make all possible efforts to reduce GHG emissions from ship operations. Operational measures have been identified as having a significant reduction potential that can often be achieved without large investments but would require cooperation with a range of stakeholders such as those identified above.

The Oslo meeting had a thorough and in-depth discussion related to further development of different economic instruments with GHG-reduction potential including, *inter alia*: a global levy on fuel used by international shipping and the possible introduction of emissions trading schemes for ships in international trade. Proposals for both open emission trading schemes, where ships will be required to purchase allowances in an open market in line with power stations or steel mills, and closed schemes, where trading will only be among ships, were considered. Grandfathering or auctioning of the allowances, how the cap is set and by whom, managing of any system, banking of allowances and the impact on world trade as well as legal aspects were also among the issues considered. The meeting had an extensive exchange of views paving the way for further discussion at MEPC 58 in October on possible introduction of market based measures to provide incentives for the shipping industry to invest in fuel efficient ships. However, there are still obstacles to be surmounted on how to observe the basic rules of IMO on non-discriminatory rules applicable to all ships irrespective of the flag they are flying, and at the same time respecting the special needs and circumstances for developing and developed countries.

MEPC 58 will be held in London from 6 to 10 October 2008 and will further consider the reduction mechanisms developed by the intersessional meeting, with a view to further develop a future IMO regime applying to all ships. MEPC 58 is also expected to consider the related legal aspects and decide whether the GHG regulations should form part of an existing convention or whether an entirely new instrument should be developed and adopted.

MEPC 58 will also decide on the work needed prior to MEPC 59, to be held in July 2009, when final adoption of a coherent and comprehensive IMO regime to control GHG emissions from ships engaged in international trade is planned.