



MARINE ENVIRONMENT PROTECTION
COMMITTEE
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Agenda item 4

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PREVENTION OF AIR POLLUTION FROM SHIPS

Report of the Intersessional Correspondence Group on Greenhouse Gas Related Issues

Submitted by Australia and the Netherlands

SUMMARY

<i>Executive summary:</i>	This report summarizes the work of the Intersessional Correspondence Group on Greenhouse Gas Related Issues re-established by MEPC 57. It provides comments and proposals for consideration in the development of market-based measures for international shipping.
<i>Strategic direction:</i>	7.3
<i>High-level action:</i>	7.3.1
<i>Planned output:</i>	7.3.1.3
<i>Action to be taken:</i>	Paragraph 4
<i>Related documents:</i>	MEPC 56/23; MEPC 57/4/5, MEPC 57/4/5/Add.1, MEPC 57/INF.15, MEPC 57/21; MEPC 58/4/41, MEPC 58/23 and MEPC 59/INF.11

1 Introduction

1.1 The Intersessional Correspondence Group on Greenhouse Gas Related Issues (GHG CG) was re-established at the fifty-seventh session of the Marine Environment Protection Committee (MEPC 57). At MEPC 57, the GHG CG was tasked with discussing in detail topics not identified for consideration by the first Intersessional Meeting of the Working Group on Greenhouse Gas Emissions from Ships (Oslo, Norway 23-27 June 2008) and (MEPC 57/21, paragraph 4.117.4) approved the terms of reference (ToR) for this Intersessional Correspondence Group as follows:

“Taking into consideration available relevant information, the Intersessional Correspondence Group on Greenhouse Gas Emissions from Ships is instructed to:

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- .1 prepare detailed proposals on the measures identified in the Correspondence Group report (MEPC 57/4/5 and MEPC 57/4/5/Add.1), which have not been identified for further consideration by the GHG Working Group; and
- .2 present a final report to MEPC 59.”

1.2 Recognizing that as a result of decisions taken at MEPC 58 (MEPC 58/23), which resulted in all practical technical and operational measures being identified for further consideration by the Second Intersessional GHG Working Group, and in accordance with the agreed ToR, the Coordinators agreed that the CG should focus on market-based measures.

2 GHG CG Process

2.1 The Coordinators adhered to the *Guidelines on the organization and method of work of the Maritime Safety Committee and the Marine Environment Protection Committee and their subsidiary bodies* (MSC-MEPC.1/Circ.2).

2.2 The GHG CG undertook discussions from November 2008 to March 2009. Participation in the CG was open to all delegations (governments and organizations) that were interested in providing information or who had a particular interest in the issue.

2.3 The following Member States participated in the CG:

Australia, Bahamas, Barbados, Belgium, Brazil, Canada, China, Denmark, Finland, France, Germany, Greece, Iran (Islamic Republic of), Ireland, Italy, Japan, Malta, the Marshall Islands, the Netherlands, New Zealand, Norway, Panama, the Republic of Korea, the Russian Federation, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Turkey, the United Kingdom and the United States;

the following Associate Member of the IMO:

Hong Kong, China;

the following United Nations specialized agency:

UNFCCC;

the following intergovernmental organization:

The European Commission;

and by the following nine non-governmental organizations:

BIMCO, CEPASA, CLIA, FOEI, INTERCARGO, INTERTANKO, IACS, ICS, OCIMF and WWF.

2.4 To better focus the work of the GHG CG, the Coordinators sought detailed input from members on how a potential market-based measure would work in practice, including:

- .1 details on the design of a measure;
- .2 operation of a proposed measure;

- .3 how the measure could be implemented globally and within States; and
- .4 how, and for what purpose and by what process, funds gathered by any proposed measure are to be managed and utilized.

2.5 This report summarizes the discussion of the CG. To be as transparent as possible, all input received is contained in the associated information document MEPC 59/INF.11.

3 Comments

3.1 The Coordinators received a limited response, most likely because MEPC 58 agreed that market-based instruments (MBIs) would be discussed in detail at MEPC 59 (see MEPC 58/23, paragraph 4.47).

3.2 The input received was classified largely as informative and did not generate discussion within the CG. While the input underlined a positive willingness to discuss MBIs, it also indicated that the discussion needs to develop and mature before a number of detailed options would be available for consideration by the Committee.

3.3 Only one received input provided more detailed information on a proposed market-based measure (Denmark), and this proposal will be submitted separately for discussion at MEPC 59 (International Fund for Greenhouse Gas Emissions from Ships).

3.4 This report and its associated information document represent the final report of the CG on Greenhouse Gas Related Issues as required under the second Terms of Reference.

4 Action requested of the Committee

4.1 The Committee is invited to consider this report, to note the content of the accompanying MEPC 59/INF.11 and take action as appropriate.
