

MARINE ENVIRONMENT PROTECTION COMMITTEE 59th session Agenda item 4 MEPC 59/4/Add.1 6 May 2009 Original: ENGLISH

#### PREVENTION OF AIR POLLUTION FROM SHIPS

**United Nations Framework Convention on Climate Change (UNFCCC)** 

The Climate Change Talks held in Bonn, Germany, from 29 March to 8 April 2009

# Note by the Secretariat

#### **SUMMARY**

Executive summary: This document reports on the Bonn Climate Change Talks, which

initiated the intensive negotiation phase of the Copenhagen Climate Change Conference (COP 15) in December 2009, tasked with

agreeing on a post-2012 climate change treaty

Strategic direction: 7.3

*High-level action:* 7.3.1

**Planned output:** 7.3.1.2 and 7.3.1.3

**Action to be taken:** Paragraph 9

Related documents: Resolution A.963(23); MEPC 57/4/6, MEPC 57/21; MEPC 58/4/5,

MEPC 58/4/5/Add.1, MEPC 58/23 and MEPC 59/4

### **Background**

- Following attendance of the United Nations Climate Change Conference in Poznań, Poland in December 2008 (reported in document MEPC 59/4), the Secretariat participated in the Climate Change Talks held in Bonn, from 29 March to 8 April 2009, where the following *ad hoc* working group sessions took place:
  - .1 the seventh session of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP 7); and
  - .2 the fifth session of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA 5).
- The Secretariat attended parts of both meeting sessions from 29 to 31 March.

For reasons of economy, this document is printed in a limited number. Delegates are kindly asked to bring their copies to meetings and not to request additional copies.



# **Meeting focus**

The meeting was attended by approximately 2,600 participants and focused on the scale of emission reductions; improvements to emissions trading and the Kyoto Protocol's carbon offset mechanisms; and on concerns relating to land-use change and forestry. It also marked the starting point for UNFCCC Parties entering the intensive negotiations of text for the post-Kyoto climate change treaty (to come into force from 2013).

### **IMO's contribution**

- As instructed by resolution A.963(23), the Secretariat informed the meeting of the outcome of MEPC 58 and of IMO's current state of progress on greenhouse gas emission reductions, through:
  - a statement delivered to the AWG-KP plenary session on 30 March outlining the progress made by IMO thus far; and
  - an information note on the current state of progress within IMO on emissions from international maritime transport, which is set out in annex.

#### **Session Outcomes**

- The AWG-KP 7 focused on the individual and aggregate scale of emission reductions by the Kyoto Protocol's Annex I Parties; on the clarification of outstanding technical issues such as sectors and sources, legal issues and potential consequences; and on the drafting of negotiation text related to further commitments by Parties to be agreed at COP 15 in December 2009. Several interventions were delivered with relevance to emissions from ships engaged in international trade. Some Parties requested that the developed technical and operational measures, as well as other deliberations from international maritime transport and aviation, should be considered when emission targets are calculated at national and regional levels. While one delegation noted that all sectors should be added to the post-2012 agreement, others suggested including international aviation and maritime transport more specifically. One delegation rejected the inclusion of air and ground transport into the post-2012 treaty due to lack of agreement within both sectors.
- The AWG-LCA 5 discussed ideas on a shared vision for action on mitigation, adaptation, finance and technology, and it elaborated options for a cooperative framework relating to appropriate national mitigation actions and adaptation frameworks. Participants called for new mechanisms to reduce greenhouse gas emissions as part of national mitigation actions. Sectoral mechanisms were highlighted to provide opportunities particularly for developing countries to establish national low carbon strategies and concrete mitigation actions. Detailed debates and decisions on appropriate financing mechanisms are expected to take place during successive COP 15 preparatory meetings (as indicated below), as well as during the Copenhagen Climate Conference itself.

# **Further Meetings of the UNFCCC in 2009**

7 The following negotiation meetings will take place during the intensive preparatory phase of the COP 15 in the remaining part of 2009:

- .1 the thirtieth session of the Subsidiary Body for Scientific and Technological Advice (SBSTA 30); and the thirtieth session of the Subsidiary Body for Implementation (SB 30), from 1 to 10 June in Bonn, Germany;
- .2 the eighth session of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP 8); and the sixth session of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA 6), from 1 to 12 June in Bonn, Germany (in conjunction with the sessions of the subsidiary bodies mentioned above);
- .3 the continued, but informal negotiation sessions of the AWG-KP 8 and the AWG-LCA 6, from 4 to 18 August in Bonn, Germany;
- .4 the ninth session of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP 9); and the seventh session of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA 7), from 28 September to 9 October in Bangkok, Thailand;
- .5 the resumed sessions of the AWG-KP 9 and the AWG-LCA 7, from 2 to 13 November, for which locations will be confirmed by UNFCCC in due course:
- the fifteenth Conference of the Parties to the United Nations Climate Change Convention (COP 15); and the ninth Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (COP/MOP 9), from 7 to 18 December in Copenhagen, Denmark.
- 8 The Secretariat will ascertain which of the above meetings will address matters pertaining to bunker fuels used in maritime transport and shall endeavour, resources permitting, to participate in accordance with relevant decisions made by the Committee at previous sessions.

### **Action requested of the Committee**

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

\*\*\*

#### **ANNEX**

# UNFCCC AD HOC WORKING GROUP ON LONG-TERM COOPERATIVE ACTION UNDER THE CONVENTION (AWG-LCA), fifth session and

UNFCCC AD HOC WORKING GROUP ON FUTURE COMMITMENTS FOR ANNEX I PARTIES UNDER THE KYOTO PROTOCOL (AWG-KP), seventh session

29 March to 8 April 2009 Bonn, Germany

# EMISSIONS FROM FUEL USED FOR INTERNATIONAL AVIATION AND MARITIME TRANSPORT: CURRENT STATE OF PROGRESS WITHIN IMO

**Note by the International Maritime Organization (IMO)** 

# **Background**

- Shipping is probably the most international of all industries, carrying up to 90 per cent of global trade by weight in a cost and energy efficient way around the world. IMO, as the UN's specialized agency responsible for the global regulation of all facets pertaining to international shipping, plays a key role in ensuring that lives at sea are not put at risk and that the environment is not polluted by ships' operations as summed up in IMO's mission statement: **Safe, Secure and Efficient Shipping on Clean Oceans**.
- The issue of GHG emissions from ships has been considered by IMO's Marine Environment Protection Committee (MEPC) for many years and the outcome thereof is regularly brought to the attention of UNFCCC stakeholders during the SBSTA and the *ad hoc* working group sessions.

#### **Outcome of MEPC 58**

- The fifty-eighth session of MEPC (MEPC 58), held in London from 6 to 10 October 2008, continued to consider follow-up actions to resolution A.963(23) on "IMO Policies and Practices related to the Reduction of Greenhouse Gas (GHG) Emissions from Ships" and made substantive progress in further developing the technical, operational and market-based mechanisms needed to achieve a reduction of GHG emissions from international shipping.
- The key technical and operational measures identified by MEPC 58 for the reduction of ship-sourced GHG emissions are the **Energy Efficiency Design Index (EEDI)** and the **Energy Efficiency Operational Index (EEOI)**. MEPC 58 recommended that the GHG Emissions Working Group continued its work intersessionally to refine and verify both the EEDI and the EEOI. It furthermore invited delegations and industry observers to disseminate the interim guidelines to the maritime community in order to test the applicability of the EEDI during an initial trial period. The outcome of the second intersessional meeting of the Working Group, held in March 2009, may be found under paragraph 11 of this document.

.

The EEOI has been re-named into Energy Efficiency Operational Indicator from 13 March 2009.

# The IMO GHG Study

- During its deliberations, MEPC 58 noted with appreciation, the findings of **Phase 1** of the updated 2000 IMO Study on GHG emissions from ships. The findings have been submitted in a separate document to SBSTA 29/30, and can be found in document FCCC/AWGLCA/2008/MISC.6/Add.2.
- Phase 2 of the study, covering greenhouse gases other than CO<sub>2</sub> in accordance with the methodology adopted by UNFCCC, as well as future reduction potentials from technical, operational and market-based measures, is currently in its final stages and will be submitted to IMO by 10 April 2009. The report covering both phases of the study will be reviewed by MEPC 59 and IMO will subsequently submit the report to the appropriate bodies of UNFCCC.

# **Application of reduction measures**

During the discussions on application of measures and matters of principle and policy at MEPC 58, many delegations spoke in favour of the principle of common but differentiated responsibility (CBDR) under the UNFCCC. In their view, any mandatory regime aiming to reduce GHG emissions from ships engaged in international trade should be applicable exclusively to the countries listed in Annex I to the UNFCCC. Many other delegations expressed the opinion that, given IMO's global mandate spanning both safety of ships and protection from ship-sourced pollution, the IMO regulatory framework on GHG emissions should be applicable to all ships, irrespective of the flags they fly.

#### **Market-based Measures**

- 8 Considerable debate was undertaken at MEPC 58 on a possible Emission Trading Scheme, a global levy on fuel and other hybrid market-based schemes for ships engaged in international trade. The majority of delegations expressed concerns about the development of any market-based measures intended for the reduction of GHG emissions from ships, as long as the issue of CBDR was not resolved in full recognition of Article 2.2 of the Kyoto Protocol. Other delegations commented that the issue of market-based measures was highly complex, and that further information and targeted studies were needed to help advance the discussions from an early stage.
- 9 The Committee agreed to dedicate sufficient time to hold an in-depth discussion at MEPC 59 and requested delegations to provide as much information as possible with a view to facilitating a focused debate.

# **Correspondence Group on GHG Related Issues**

MEPC 58 noted that the Intersessional Correspondence Group on Greenhouse Gas Emissions from Ships (coordinated by Australia and the Netherlands) would continue its work until MEPC 59. The Correspondence Group is tasked with the preparation of proposals on the measures previously identified (MEPC 57/4/5 and MEPC 57/4/5/Add.1), and to report its findings to MEPC 59.

# Technical and operational GHG measures: Update from the second Intersessional Meeting of the Working Group on GHG Emissions from Ships

- The second Intersessional Meeting of the Working Group was held at IMO Headquarters from 9 to 13 March 2009. It concluded with the following progress made, the results of which are subject to consideration and final decision by MEPC 59:
  - 1 further refinement of the interim guidelines for calculation and verification of the **Energy Efficiency Design Index (EEDI)** for new ships, taking into account the experiences gained through its trial application over the past six months. The EEDI is meant to stimulate innovation and technical development of all the elements influencing the energy efficiency of a ship from its design phase.
  - .2 review of the interim guidelines for the **Energy Efficiency Operational Indicator** (**EEOI**, MEPC/Circ.471), which enables operators to measure the fuel efficiency of an existing ship. Expressed in grams of CO<sub>2</sub> per tonne mile, the index enables comparison between individual ships and thereby facilitates adoption of appropriate measures to reduce energy consumption. The EEOI has been applied by member States and the shipping industry, on a trial basis since 2005.
  - .3 technical consideration of a draft **Ship Energy Management Plan (SEMP)**, which incorporates voluntary guidelines of best practices for fuel efficient operation of ships. Developed by a coalition of industry organizations, the draft SEMP includes suggestions for improved voyage planning, speed and power optimization, optimized ship handling, improved fleet management, as well as cargo handling.
  - a report from the meeting, and the technical papers developed by the group, will be presented to MEPC 59 for consideration and adoption.

### Distribution by flag of the world merchant fleet

As at 1 March 2008, Lloyd's Register Fairplay's database lists the distribution by flag of the world merchant fleet (i.e. registered ships above 400 GT) as follows:

Flag States	Number of ships	Global Tonnage (GT)	DW
Annex I	20,872	209,015,681	263,820,104
	33.42%	26.08%	22.82%
Non-Annex I	41,119	593,330,359	892,384,249
	66.58%	73.92%	77.18%
Total	61,862	801,346,040	1,156,204,353

### Shipping and sustainable development

Shipping is a crucial force in maintaining sustainable development, as it makes a massive contribution to global prosperity with only a marginal negative impact on the global environment. Both the poor and the rich benefit from seaborne trade. Moreover, due to the nature of shipping, developing countries can, and do, become major participants in the industry itself and, by so doing, generate income and create national wealth.

# The way ahead

- 14 The next session of the Marine Environment Protection Committee, MEPC 59 (July 2009) is expected to approve the first package of measures aimed at increasing fuel efficiency of ship design and operation. This is likely to include the measures identified under paragraph 11, taking into account further submissions by member States and observer organizations.
- Based on the report of the Intersessional Correspondence Group on Greenhouse Gas Emissions from Ships and other relevant submissions, the Committee will also continue considering possible market-based measures aimed at reducing GHG emissions from ships engaged in international trade.
- The Committee will report the outcome of its considerations of follow-up actions to resolution A.963(23) on "IMO Policies and Practices related to the Reduction of Greenhouse Gas Emissions from Ships" to the twenty-sixth session of the IMO Assembly that will be held in November 2009.
- 17 The Secretary-General of IMO will to submit a position paper to COP 15, informing the Conference of the outcome of IMO's work on limitation and reduction of GHG emissions from ships engaged in international trade.
- 18 IMO will continue its endeavours to reduce any environmental impacts from international shipping, a transport industry that is vital to world trade and sustainable development, and shall keep UNFCCC and its subsidiary bodies updated on the progress made.