



MARINE ENVIRONMENT PROTECTION  
COMMITTEE  
61st session  
Agenda item 5

MEPC 61/5/1  
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## **REDUCTION OF GHG EMISSIONS FROM SHIPS**

### **Outcome of the United Nations Climate Change Talks held in Bonn, Germany in May/June 2010**

#### **Note by the Secretariat**

#### **SUMMARY**

<i>Executive summary:</i>	This document reports on the United Nations Climate Change Talks held in Bonn, Germany in May/June 2010, as it relates to international shipping, as well as an account of the Secretariat's involvement
<i>Strategic direction:</i>	7.3
<i>High-level action:</i>	7.3.2
<i>Planned output:</i>	7.3.2.1
<i>Action to be taken:</i>	Paragraph 17
<i>Related documents:</i>	Resolution A.963(23), MEPC 57/4/6, MEPC 57/21, MEPC 58/4/5, MEPC 58/4/5/Add.1, MEPC 58/23, MEPC 59/INF.30, MEPC 59/24, MEPC 60/4/9, MEPC 60/INF.9 and Add.1, MEPC 60/22

#### **Background**

1 As requested by resolution A.963(23) and reiterated by MEPC 60 (paragraph 4.16 of document MEPC 60/22), the Secretariat reported the outcome of MEPC 60 relating to control of greenhouse gas emissions from international shipping, to relevant UNFCCC bodies in preparation for the United Nations Climate Change Conference 2010. The Secretariat attended the meetings of the UNFCCC's subsidiary bodies that met during the UN Climate Change Talks, held in Bonn, Germany in May/June 2010.

#### **Meetings of UNFCCC's subsidiary bodies**

2 The following meetings of subsidiary bodies under the UNFCCC took place:

- .1 the thirty-second session of the Subsidiary Body on Implementation (SBI 32), from 31 May to 9 June;

- .2 the thirty-second session of the Subsidiary Body for Scientific and Technological Advice (SBSTA 32), from 31 May to 9 June;
- .3 the twelfth session of the Ad-hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP 12), from 1 to 11 June; and
- .4 the tenth session of the Ad-hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA 10), from 1 to 11 June.

3 The meetings were attended by about 5,500 delegates and were the first meetings to engage in real negotiations after the Copenhagen Conference (COP 15/CMP 5) and the main meeting prior to COP 16/CMP 6, which will be held in Cancun, Mexico from 29 November to 10 December 2010.

### **IMO contribution**

4 A document providing comprehensive information on the outcome of MEPC 60 related to GHG issues was submitted to SBSTA 32 under agenda item 7 (a) – Emissions from fuel used for international aviation and maritime transport. The submission was circulated as part of document FCCC/SBSTA/2010/MISC.5 and could be downloaded from: <http://unfccc.int/resource/docs/2010/sbsta/eng/misc05.pdf>. The same document was submitted to AWG-LCA 10 under agenda item 3 – Preparation of an outcome to be presented to the Conference of the Parties for adoption at its sixteenth session to enable the full, effective and sustained implementation of the Convention through long-term cooperative action now, up to and beyond 2012, which was circulated as part of FCCC/AWGLCA/2010/MISC.4.

5 IMO had an exhibition stand during the first meeting week where information and outreach material was displayed and distributed. The Second IMO GHG Study 2009 was distributed in hard copies and CDs. In addition, IMO submissions and statements to the session, brochures on the Organization's mandate, on its marine environment and technical cooperation work, IMO News, background data on world trade, international shipping and related matters as well as posters and exhibition items were distributed in large quantities.

6 IMO's delegation that attended the meetings comprised of:

Mr. Miguel Palomares, Director, MED, from 30 May to 2 June;

Mr. Eivind S. Vagslid, Head of the Chemical and Air Pollution Prevention Section, Sub-Division for Pollution Prevention, MED, from 30 May to 10 June; and

Ms. Lucy Essuman, Principal Secretary, Chemical and Air Pollution Prevention Section, Sub-Division for Pollution Prevention, MED, from 29 May to 6 June.

### **SBSTA 32**

7 Following adoption of the Bali Action Plan in December 2007, SBSTA 28 agreed in June 2008, to defer its consideration of emission from fuel used for international aviation and maritime transport until after COP 15/CMP 5 and only receive and note information provided by the Secretariats of ICAO and IMO in the interim.

8 The IMO representative gave a statement on behalf of the Organization at the opening plenary, which is set out in annex 1 to this document. Following statements by the Secretariats of ICAO and IMO, 13 delegations spoke, all recognizing the two Organizations as the appropriate bodies to develop and enact regulations for emissions from international aviation and maritime transport respectively. Most delegations reasoned that the two specialized agencies should continue to be entrusted with regulating the two international transport sectors. Several of the statements given recognized the noteworthy progress made by IMO and its ambitious work plans for 2010. A number of delegations, speaking on the matter, requested that IMO should take relevant principles of the UNFCCC into account and, in particular, the principle of common but differentiated responsibility and respective capabilities.

9 The Chair of SBSTA prepared draft conclusions under this agenda item, that included details on the progress made by IMO and ICAO in their work on emissions from fuel used for international aviation and maritime transport. Several Parties felt that some important achievements from the IMO and ICAO work were not reflected in this text. Others were of the view that making references to specific activities would be difficult and preferred to have a general reference to progress of this work, which is detailed in document FCCC/SBSTA/2010/MISC.5.

10 SBSTA 32 adopted the conclusion (document FCCC/SBSTA/2010/L.9) as set out below:

**"Emissions from fuel used for international aviation and maritime transport**

***Draft conclusions proposed by the Chair***

1. The Subsidiary Body for Scientific and Technological Advice (SBSTA) noted the information received from, and progress reported by, the Secretariats of the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO) on their ongoing work in relation to addressing emissions from fuel used for international aviation and maritime transport<sup>1</sup> as well as the views expressed by Parties on this information.

2. The SBSTA invited the Secretariats of ICAO and IMO to continue to report, at its future sessions, on relevant work on this issue."

**AWG-LCA 10**

11 The April session of the AWG-LCA, which mainly focused on work arrangements and procedures, agreed that the Chair should prepare a text to facilitate negotiations among Parties at the tenth session, based on the outcome of the Copenhagen Conference (see MEPC 60/4/9 and Add.1). The text by the LCA Chair was issued as document FCCC/AWGLCA/2010/6 and the following reference to emissions from international shipping was made in paragraph 20 of the document:

**"Agrees**

20. That cooperative sectoral approaches and sector-specific actions [should be] consistent with relevant provisions and principles of the Convention [, in particular the principle of common but differentiated responsibilities,] [and that it may be useful for Parties to explore these approaches and actions further].

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<sup>1</sup> FCCC/SBSTA/2010/MISC.5.

*Note from the Chair: In the context of cooperative sectoral approaches, Parties also considered the limitation and reduction of emissions of greenhouse gases not controlled by the Montreal Protocol from aviation and marine bunker fuels, including: issues relating to the scale of such reductions and the principles that should be taken into account; the relationship between work of the UNFCCC and the International Civil Aviation Organization and the International Maritime Organization; and the use of possible revenues from the implementation of policy approaches and measures. The text on general elements of cooperative sectoral approaches and sector-specific actions is presented in the appendix to document FCCC/CP/2010/2. The text on policy approaches and measures to limit and reduce GHG emissions from aviation and marine bunker fuels, as prepared by the co-facilitators of informal consultations is presented in section C of annex I to document FCCC/CP/2010/2."*

12 Five Parties had, in document FCCC/AWGLCA/2010/MISC.2 and its Add.1, submitted comments related to regulation of GHG emissions from international shipping. In addition, the Government of Cook Islands submitted a detailed proposal for a separate COP Decision drawing on the Co-Facilitators' text from COP 15 set out in document MEPC 60/4/9/Add.1. The comments and proposal are set out in annex 2 to this document.

13 AWG-LCA 10 considered briefly how and when emissions from international aviation and maritime transport should be considered. Several delegations wanted the text proposed by the Co-Facilitators during the informal consultations in Copenhagen to be used as the basis for further negotiations (set out in document MEPC 60/4/9/Add.1). The delegation of Norway supported the proposal by Cook Islands and expressed the view that it could bridge the gaps and should be taken into account in the deliberations.

14 The LCA Chair issued, towards the end of the session, an advance draft of the updated version of the text to facilitate negotiations among Parties for consideration by AWG-LCA 11 (Bonn, Germany from 2 to 6 August 2010). The document contained the following text relevant for control of emissions from international maritime transport and will be circulated formally as FCCC/AWGLCA/2010/8:

**"4. Cooperative sectoral approaches and sector-specific actions, in order to enhance implementation of Article 4, paragraph 1(c), of the Convention**

*Agrees*

44. That cooperative sectoral approaches and sector-specific actions should be consistent with relevant provisions and principles of the Convention [, in particular the principle of common but differentiated responsibilities,] [and that it may be useful for Parties to explore these approaches and actions further].

45. [That the limitation and reduction of emissions of greenhouse gases not controlled by the Montreal Protocol from aviation and marine bunker fuels should be pursued working through the International Civil Aviation Organization and the International Maritime Organization, respectively, [taking into account the principles and provisions of the Convention,] [on a scale consistent with the long-term global goal defined in section A on a shared vision for long-term cooperative action above].

46. To invite these Organizations to report to the Conference of the Parties, at its seventeenth session, and to its subsidiary bodies, as appropriate, and at regular intervals thereafter, on relevant activities, policy approaches and measures established and under development, emission estimates and achievements in this respect]."

**Side event**

15 IMO had a well attended side event on Monday, 31 May with about 70-80 persons attending. The presentations given at the side event were followed by a constructive and lively debate on relevant issues. The agenda is set out as annex 3 and the presentations can be found at [http://regserver.unfccc.int/seors/reports/events\\_list.html?session\\_id=SB32](http://regserver.unfccc.int/seors/reports/events_list.html?session_id=SB32).

**Further meetings prior to COP 16/CMP 6**

16 The next meetings of the two working groups (AWG-KP 13 and AWG-LCA 11) will take place in Bonn, Germany from 2 to 6 August 2010. A further session of the two groups is planned for September/October but the venue and dates are not confirmed.

**Action requested of the Committee**

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

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**ANNEX 1**

**UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE  
(UNFCCC)**

**Thirty-second session of the Subsidiary Body for  
Scientific and Technological Advice (SBSTA 32)**

**Statement by the IMO Secretariat**

**Agenda item 7(a)  
Emissions from fuel used by international aviation and maritime transport**

**Outcome of the sixtieth session of IMO's Marine Environment Protection Committee  
Further progress made on technical, operational and market-based measures**

Bonn, Germany – 31 May to 11 June 2010

Mr. Chairman,

IMO appreciates the opportunity of briefly addressing SBSTA on this occasion.

Let me start by saying that IMO has successfully regulated the shipping industry at the global level, through its 51 international treaty instruments, for over 50 years and that the control of GHG emissions, being an integral part of the design, construction and operation of ships, should not be an exception.

The Member States, with the shipping industry fully behind, have agreed that international shipping should make a determined and proportional contribution to the wider efforts to combat climate change by limiting or reducing GHG emissions from ships engaged in international trade.

The Organization has thus developed a set of robust technical and operational measures that, once incorporated in the IMO regulatory regime, will serve as mandatory performance standards for increased energy efficiency in international shipping. Regulatory action in this respect, I may add, is nearing completion.

Based on a proposal by the Governments of Japan, Norway and the United States the Marine Environment Protection Committee in March agreed by majority that the measures should be mandatory and that Annex VI of IMO's MARPOL Convention (International Convention for the Prevention of Pollution from Ships) was the proper legal instrument.

The most important technical measure is the Energy Efficiency Design Index for new ships (EEDI) that would require a minimum energy efficiency level per capacity mile for different ship segments (type and size), with the level being tightened incrementally every five years in pace with technological development.

On the operational side, a mandatory management tool for energy efficient ship operation (SEEMP) has been developed to assist the shipping industry in achieving cost-effective efficiency improvements in their operations.

The framework builds on IMO's reputable and well tested enforcement and control provisions (Flag and Port State Controls) and includes also aspects such as monitoring, verification and reporting as well as modalities for effective implementation.

The Organization's work on these matters represents a practical approach that may very well serve as an example of how to establish global performance standards on energy efficiency taking into account the current negotiations on issues such as establishment of baselines and the need to make the emission limits tighter over time.

Conscious that technical and operational measures alone may not be sufficient to attain the desired reduction levels, due to the projected growth in global trade, IMO is also developing a market-based mechanism, which will supplement the said measures and generate revenues, the greater part of which would be dedicated to fund climate change adaptation and mitigation action in developing countries, in particular small island developing States and least developed countries.

Further information may be found in IMO's submission to SBSTA contained in FCCC/SBSTA/2010/MISC.5.

UNFCCC Parties are, based on the information provided, invited to consider favourably entrusting IMO with the development and enacting of an international mandatory regime that will enable international shipping to contribute its fair share towards combating climate change.

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## ANNEX 2

### SUBMISSION BY PARTIES TO AWG-LCA 10 RELATED TO CONTROL OF EMISSIONS FROM INTERNATIONAL MARITIME TRANSPORT

Argentina	FCCC/ AWGLCA/ 2010/ MISC.2, page 9	"Developed countries shall pursue limitation or reduction of emissions of greenhouse gases not controlled by the Montreal Protocol from aviation and marine bunker fuels, working through the International Civil Aviation Organization and the International Maritime Organization, respectively. (Art. 2.2, KP)."
Bolivia	FCCC/ AWGLCA/ 2010/ MISC.2, page 21	"Actions by developed country Parties shall not be taken to deal with environmental challenges including taxation or imposing levies on developing country Parties services or sectors (e.g., aviation/maritime) or environmental measures addressing trans-boundary or global environmental problems unless such measures have been agreed to by international consensus and are in coherence with the principles and provisions of the Convention"
Botswana	FCCC/ AWGLCA/ 2010/ MISC.2, page 40	"Botswana had previously proposed along with several countries including Least Developing Countries (LDCs) and Small Island Developing States (SIDS) that the amount of finance for climate change adaptation be opened to benefit from international tax on bunkers including air-transport. This position had won sympathy from the IMO (Maritime Organisation) and ICAO (Civil Aviation Organisation). The base document is FCCC/CP/2010/2, which is the one containing the draft COP decision on bunkers from Copenhagen. The proposal is to move this aspect forward. This funding will meet all the necessary characteristics for CC funding – i.e., adequacy, additionality and predictability"
United States	FCCC/ AWGLCA/ 2010/ MISC.2, page 85	"The Parties recognize the importance of addressing emissions from the international aviation and maritime sectors and consider that the limitation or reduction of emissions of greenhouse gas emissions not controlled by the Montreal Protocol from aviation and marine bunker fuels should be pursued working through the International Civil Aviation Organization and International Maritime Organization, respectively"
Australia	FCCC/ AWGLCA/ 2010/ MISC.2/ Add.1, Page 3	"We look to the UNFCCC to provide a clear mandate to progress negotiations on bunker fuels"

Cook Islands	FCCC/ AWGLCA/ 2010/ MISC.2/ Add.1, Page 15	<p>Below, we offer a suggested text for addressing emissions from international aviation and maritime bunker fuels. The text draws on the co-facilitators' text under discussion at COP 15 and contained in document FCCC/CP/2010/2.</p> <p>The Conference of the Parties,</p> <p>Agrees that the limitation and reduction of emissions of greenhouse gases not controlled by the Montreal Protocol from aviation and marine bunker fuels should be addressed, working through the International Civil Aviation Organization and International Maritime Organization, respectively.</p> <p>Encourages the International Civil Aviation Organization and the International Maritime Organization to:</p> <ul style="list-style-type: none"> <li>.1 develop without delay policy approaches and technical and operational measures to limit or reduce greenhouse gas emissions from aviation and marine bunker fuels respectively, to levels consistent with keeping the increase in global temperature to well below 1.5 degrees Celsius;</li> <li>.2 ensure that revenue from the implementation of such policy approaches and measures shall be made available to support climate change adaptation and mitigation in small islands developing states and least developed countries; and</li> <li>.3 carry out their work in accordance with their respective Conventions and customary practices, taking into account applicable principles and provisions of the Framework Convention on Climate Change.</li> </ul> <p>Invites these Organizations to inform the Conference of the Parties, at its seventeenth session, and its subsidiary bodies as appropriate at regular intervals, of activities, policy approaches and measures established under development, emission estimates and other achievements relevant to limiting and reducing greenhouse gas emissions.</p>
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**ANNEX 3**

**SIDE EVENT**

**International Shipping and Climate Change**

**Monday, 31 May – from 13:00 to 14:30**

**Room: RAIL – Ministry of Transport**

All participants at the United Nations Bonn Climate Change Talks are cordially invited and warmly welcomed to participate and actively partake in a side-event on international maritime transport and greenhouse gas emissions.

Greenhouse gas emission from international shipping is modest but steadily growing apace with globalization and world trade. IMO's work on enhanced energy efficiency and emission control has three distinct building blocks and the Organization has developed technical and operational measures with the aim of making them mandatory by 2011. The third building block is the market-based measures where IMO is following a work plan also culminating in 2011.

A panel of international experts will engage in a comprehensive analysis of a future control regime for greenhouse gas emissions from international shipping.

**Programme**

The event will be moderated by Mr. Miguel Palomares, Director of IMO's Marine Environment Division

Presentations on the world fleet of merchant vessels, its growth, and efficiency improvement potential, and on the technical and operational measures agreed to be made mandatory under IMO and the plans for a market-based mechanism

Discussion – Questions and Answers – Panel and Audience interaction

**Expert Panel:**

Ms. Annemarie Watt, Department of Climate Change and Energy Efficiency, Australia  
Mr. L. Robert Pedersen, Deputy Secretary-General of BIMCO  
Mr. Mark Major, European Commission, DG Climate Action, Aviation and Maritime  
Mr. Søren Dyck-Madsen, Energy and Climate Policy Officer, Danish Ecological Council  
Mr. Eivind S. Vagslid, Head, Chemical and Air Pollution Prevention Section, IMO

