INTERNATIONAL MARITIME ORGANIZATION

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MARINE ENVIRONMENT PROTECTION COMMITTEE
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Agenda item 4

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PREVENTION OF AIR POLLUTION FROM SHIPS

Study on climate regulation of international shipping

Submitted by Norway

SUMMARY

Executive summary:	In order to assess various systems for controlling CO_2 emissions from ships, the Norwegian Shipowners' Association (NSA) has funded a study carried out by the Centre for International Climate and Environmental Research – Oslo (CICERO). As the outcome of the study is considered to be useful in the current IMO process of developing an international framework for controlling GHG emissions from international shipping, Norway takes the pleasure, in agreement with NSA, to forward a summary of the study for information
Strategic direction:	7.3
High-level action:	7.3.1
Planned output:	7.3.1.3
Action to be taken:	Paragraph 8
Related documents:	MEPC 56/4/9 and MEPC 57/INF.21

Background

1 In order to better understand the merits of various systems for controlling CO_2 emissions from international shipping, in particular of some market-based systems, the Norwegian Shipowners' Association commissioned the Centre for International Climate and Environmental Research – Oslo (CICERO) to carry out a study for that purpose. On such a basis, NSA would be in a better position to constructively contribute in the process of arriving at a practical, fair and cost-effective system for controlling GHG emissions from shipping.

2 The following control mechanisms were selected for the study:

.1 A cap-and-trade scheme linked to a wider trading system;

.2 A design standard based on a technical CO_2-index;

.3 An operational standard based on the IMO CO_2-index combined with a fee;

.4 A charge on CO_2 emissions from ships; and

.5 A combined cap-and-charge system representing the Norwegian proposal outlined in MEPC 56/4/9.

3 The various alternatives were assessed according to the following nine criteria:

.1 To what extent does it ensure a level playing field?

.2 To what extent can evasion be prevented?

.3 Is the administration of the system simple for the flag State?

.4 Can emission reductions be achieved at low overall cost?

.5 Is it easy to modify the system in the future?

.6 To what extent can it be expected to be accepted by all States?

.7 To what extent are possible revenues benefiting international shipping?

.8 To what extent is it legally feasible within the IMO framework? and

.9 How much time is needed to establish the necessary infrastructure to operate the system?

4 A summary of the CICERO report is presented in document MEPC 57/INF.21. The full study (29 pages) can be downloaded from http://www.cicero.uio.no/.

5 It should be noted that CICERO has not been able, within the timeframe of the project, to make any thorough assessment of the different alternatives. This will therefore have to be further considered by the parties in the developing process and also be based on more detailed descriptions of the alternatives to be assessed.

6 It should also be noted that the views expressed in the report are those of CICERO and not necessarily those of NSA or the Norwegian Government.

7 As an appendix to the report, CICERO has also included a discussion of the overall climate effect of emissions of CO_2, NOx and SOx from shipping.

Action requested of the Committee

8 The Committee is invited to note the information provided in the report and take action as appropriate.

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