

INTERNATIONAL ASSOCIATION OF PORTS AND HARBORS (IAPH)

Report on the outcome of MEPC 80

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80th session of the IMO Marine Environment Protection Committee (MEPC 80)

The 80th meeting of the IMO's Marine Environment Protection Committee (MEPC 80) took place this week from 3 to 7 July 2023. In attendance alongside Rhona Macdonald, Patrick Verhoeven and Antonis Michael as part of the IAPH delegation was Bruce Anderson (Starcrest), Commissioner Cho (Port of Seattle), and Heather Tomley and Mario Cordero (Port of Long Beach).

IAPH had two submissions at session under the agenda item on the Reduction of GHG Emissions from Ships. Firstly, Document MEPC 80/7/2 providing a progress report on the efforts and initiatives of world ports towards the areas identified under resolution MEPC.366(79), as well as, document MEPC 80/7/6 informing the Committee of the positive role of OPS in the future maritime energy mix and providing key recommendations on how to accelerate the development of OPS infrastructure Globally. These were noted by the Committee.

After lengthy and emotional negotiations, delegations unanimously agreed on the revised 2023 IMO GHG Strategy, raising the level of ambition to deliver a net zero pathway for the industry by around, or close to, 2050 whilst taking into account the different national circumstances. This report further outlines the agreed interim targets and the next steps to helping achieve the new vision.

AGENDA ITEM 7 – REDUCTION OF GHG EMISSIONS FROM SHIPS

1. IAPH submissions

1.1. IAPH had two submissions under this agenda item. Firstly, Document MEPC 80/7/2 providing a progress report on the efforts and initiatives of world ports towards the areas identified under resolution MEPC.366(79) on voluntary cooperation between the ports and shipping sectors to contribute to reducing GHG emissions from ships. The document calls for continued collaboration between shipping, ports and terminals, and informs on the status of relevant IAPH and world ports' initiatives while making recommendations to overcome the remaining challenges, including the need to support OPS infrastructure in developing countries

1.2. Furthermore, IAPH along with co-sponsors, ICS, Interferry and CLIA, submitted Document (MEPC 80/7/6) informing the Committee of the positive role of OPS in the future maritime energy mix and providing key recommendations on how to accelerate the development of OPS infrastructure globally. Specifically, the paper addresses the need for further studies to analyse and improve the accuracy of data on the range of power needed for ships at berth, as well as, calling for a proportion of the revenues generated from an economic measure to be utilized to support investments in port OPS infrastructure.

2. Further consideration and finalization of the draft Revised IMO GHG Strategy

2.1. The IMO adopted by acclamation the 2023 IMO GHG Strategy which sets out the ambition of the international maritime sector in moving towards a net zero future. This is a historic moment for the IMO after a long two weeks of deliberations which saw substantial collaborative efforts amongst delegations to find an agreeable landing zone for the phased reduction of GHG emissions from ships. Overall, negotiations were challenging, and whilst some nations, in particularly Small Island Developing States (SIDS) and Low-Developed Countries (LDCs), continue to express disappointment on the levels of ambition agreed upon, there remains a spirit of co-operation and many delegations share a willingness to move forward in the development of the basket of mid-term measures to deliver on the new targets.

GHG emission from international shipping to reach net zero

2.2. MEPC 80 agreed to *“peak GHG emissions from international shipping as soon as possible and to reach net-zero GHG emissions by or around, i.e. close to 2050, taking into account different national circumstances.*

2.3. Referencing the view points expressed at ISWG-GHG 15, numerous delegations including **Argentina, India, Saudi Arabia and others**, continued to share their sentiment that a definitive 2050 target would now allow for flexibility given the lack of availability of the new fuels and technologies required to facilitate the transition. By contrast, many **European countries and pacific island nations** stressed the critical importance of having a quantum target to provide certainty for investment decisions to facilitate the transition.

2.4. In a spirit of compromise, numerous delegations supported a net zero target with the stipulation that this excluded out of sector offsetting and took into account the well-to-wake GHG emissions of marine fuels outlined in LCA Guidelines. At ISWG-GHG 15, there were deliberations over a need to reference this in the revised Strategy and MEPC 80 ultimately agreed to include this in the preamble text, specifically stating that the overall objective is to reduce emissions ‘within the boundaries of the energy system of international shipping and preventing a shift of emissions to other sectors.’

Fuel uptake target

2.5. Noting the discussions at ISWG-GHG 15 and as outlined in the IAPH summary, delegations agreed on a target for *the uptake of zero or near-zero GHG emission technologies, fuels and/or energy sources to represent at least 5%, striving for 10%, of the energy used by international shipping by 2030.*

2.6. There was divide on the exact percentage. Whilst the **UK, IMarEST, Spain, Sweden and others** referencing studies indicating that a fuel uptake target must be higher to at least 10%, with 12% as a feasible option’, **ICS, UAE, Australia, India and others**, were adamant that a 5% target would act as the appropriate catalyst for the production of the required fuels, without disproportionately impacting developing states.

Indicative checkpoint for 2030

- 2.7. The Committee was tasked to consider the 2030 target proposed by ISWG-GHG 15 for at least a 20%, striving for 25%, reduction in GHG emissions. This was met with considerable concerns and criticism from many delegations, including, the **Marshall Islands, US, France, and International Organizations** who had originally proposed higher percentages between 29% and 37%.
- 2.8. After intense deliberations with strong arguments against raising this level of ambition, MEPC 80 managed to reach an agreeable settlement with a majority agreeing to *'reduce the total annual GHG emissions from international shipping by at least 20%, striving for 30%, by 2030.'*

Indicative checkpoint for 2040

- 2.9. Many delegations stressed the requirement for a 2040 checkpoint to ensure the transition proceeds ambitiously and to send the right signal to industry for the increased uptake in zero or near zero fuels to avoid a steep and costly transition at a later stage. Others, namely **China, Argentina and India**, continued to emphasise a need for flexibility given many of these fuels are not yet available. Ultimately, a compromise was reached which represented a balance of the viewpoints expressed in various interventions and it was agreed to *'reduce the total annual GHG emissions from international shipping by at least 70%, striving for 80%, by 2040, compared to 2008.'*

3. Comprehensive impact assessment of the basket of mid-term measures

- 3.1. At ISWG-GHG 15, the Group noted a considerable divergence amongst Member States and International Organizations over the proposed economic element(s) to further develop under Phase III of the workplan and agreed to keep these under review. MEPC 80, noting this outcome, instructed the parallel Working Group to draft terms of reference for the comprehensive impact assessment (CIA) of the basket of mid-term measures, using the draft revised IMO GHG Strategy and the Revised Procedure for assessing impacts on States of candidate measures (MEPC.1/Circ.885/Rev.2) as a basis.
- 3.2. Noting that the CIA could inform the Committee in its future selection of the combination of technical and economic measures in conjunction with the assessment of feasibility and effectiveness, the Group developed a specific "measures matrix" for assessing possible combinations of elements contained in the proposals for candidate mid-term measures and requested the Secretary-General to establish a Steering Committee to conduct the CIA and to submit an interim report to MEPC 81 for consideration. This was agreed by MEPC 80.

4. Proposed timeline for the development of candidate mid-term measures

- 4.1. Numerous delegations, including **Argentina, UAE, Cook Islands**, emphasized that the proposed timeline should allow for sufficient time to conduct a CIA and for addressing any disproportionately negative impacts. These delegations also noted that UNCTAD has reiterated during the Ad-Hoc Expert Workshop that it would require considerable time to carrying out the CIA of the candidate mid-term measures. Given this, these delegations proposed that the CIA should be finalized by MEPC 82, with approval of these measures in 2025 ready for entry into force 16 months thereafter.

4.2. These points were met with diverging opinions **from UK, Germany, Norway and Canada** who argued that to effectively respond to the climate crisis and remain aligned to the 1.5 temperature goal, that this timeline should be more ambitious and ensure the introduction of such measures before 2027. Ultimately, the Committee agreed that the measures should be finalized and agreed by 2025.

5. Consideration of the Final Report of the Correspondence Group on Marine Fuel Life Cycle GHG analysis with a view to finalization of the LCA Guidelines

5.1. The Committee noted with appreciation the work of the Correspondence Group on Marine Fuel Life Cycle GHG Analysis to finalize the draft LCA Guidelines and approved them accordingly. Furthermore, taking into consideration the recommendations made by ISWG-GHG 15 to the Committee on intersessional follow-up work on the LCA framework, MEPC 80 agreed the following:

1. To establish the Correspondence Group on the Future Development of the LCA Framework to advance the consideration of the methodological elements;
2. Request the Secretariat to organize an Expert Workshop on the life cycle GHG intensity of marine fuels;
3. To include an agenda item on the further development of the LCA framework at ISWG-GHG 16; and
4. Invited delegations to submit documents containing proposals on the establishment of an expert group on LCA matters to the next session.

AGENDA ITEM 5 – AIR POLLUTION PREVENTION

5. Development of interim guidance on the use of biofuels and biofuel blends

- a. It was noted that ISWG-GHG 15 discussed Document MEPC 80/7/9 by **India** containing a draft MEPC resolution suggesting that biofuels certified to conform to the sustainability aspects of the LCA guidelines should be assigned a CO₂ emissions conversion factor of zero to facilitate the uptake of biofuels and biofuel blends. This was met with considerable concerns and was ultimately deferred to the Working Group on Air Pollution and Energy Efficiency at MEPC 80.
- b. At this session, **India** had submitted a further document (MEPC 80/5/2) providing draft interim guidelines for the use of biofuels and blends of biofuels. Whilst it was noted that the approval of the interim guidance should not prejudice future decisions on the application of LCA framework to any kinds of fuels following further development of the LCA guidelines, due to time constraints, this item could not be finalized and was consequently deferred to MEPC 81 for consideration.

NEXT MEETINGS

The next meetings of the Intersessional Working Group on Reduction of GHG Emissions from Ships (ISWG-GHG 16) and MEPC 81 will take from 15 to 19 April 2024 and 22 to 26 April 2024, respectively.

