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GHG EMISSION FROM SHIPS
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FURTHER CONSIDERATION OF THE DEVELOPMENT OF CANDIDATE MID-TERM MEASURE(S)

Proposed process for the further development of the
basket of candidate mid-term measures

Submitted by Clean Shipping Coalition and Pacific Environment

SUMMARY

Executive summary: This document comments on documents MEPC 81/16 and MEPC 81/16/Add.1, annex 12 and invites the Working Group to ensure an inclusive, deliberative and transparent process for the further development of the basket of candidate mid-term measures during working groups at ISWG-GHG 17, MEPC 82 and at any other formal and informal sessions that might happen in between. The co-sponsors especially reflect on intersessional informal exercises that sought to discuss and consolidate where possible a sample of mid-term measures, including the most appropriate use of any outputs produced.

*Strategic direction,
if applicable:* 3

Output: 3.2

Action to be taken: Paragraph 10

Related documents: MEPC 81/16 and MEPC 81/16/Add.1

Introduction

1 This document responds to MEPC 81/16 and the invitation therein for delegations to use the "*Illustration of a draft possible outline of the 'IMO net-zero framework'*", including possible chapters and regulations in MARPOL Annex VI that might be amended" presented in document MEPC 81/16/Add.1 for intersessional efforts to build mutual understanding and identify potential opportunities to consolidate proposed measures into a possible common structure.

2 As 2024 continues to break previous records for global temperatures and is set to be the highest or second highest on record, the urgency and consequence of the Working Group's negotiations to develop and finalize a basket of mid-term measures and strengthen the short-term measure cannot be overstated. The resulting basket of measures unequivocally must be able to deliver the emission reductions and equitable and just transition committed to in the 2023 IMO GHG Strategy. However, the effectiveness of the measures cannot be sacrificed for expediency through policy making that is inadequately informed, opaque, and not inclusive.

3 The timeline for the Marine Environment Protection Committee (the Committee) to finalize the policies and guidance that will ensure the just and equitable transition to zero-emission shipping committed to in the 2023 IMO GHG Strategy reflects this urgency. In keeping to this timeline, intersessional informal processes can be very valuable in sharing information, identifying convergences, and building trust among delegations that can help in advancing formal negotiations, but they are not a replacement for those formal processes. In general, informal processes are less likely to be inclusive and more likely to privilege participants with greater capacity and diplomatic power. Unfortunately, countries that are most vulnerable to climate change, especially Least Developed Countries (LDCs) and Small Island Developing States (SIDS) and, often do not have the resources to engage in these informal meetings, especially when they are organised at such a short notice.

4 Recognizing the need to balance urgency with equitable and inclusive processes, the Committee had in the past cautioned that when such informal efforts to develop a possible common structure take place, the results "would not prejudice any possible future changes to it" through the formal IMO process (MEPC 81/16, paragraph 7.61). It is clear that under no circumstances should texts emanating from informal discussions serve as a base-document for formal negotiations at the ISWG-GHG 17 in September 2024.

Discussion

5 In the interim period between MEPC 81 and MEPC 82, Member States, associated Members, and international organizations took up the Committee's call to work together in ways that could support progress on both the review of the short-term Carbon Intensity Indicator (CII) measure and the basket of mid-term measures. In particular, Belgium, Brazil, China, Denmark, Germany, Netherlands (Kingdom of the), Norway and the European Commission initiated a hybrid exercise that brought delegations together to "consider how the different proposals of measures may fit into the *Illustration of a draft possible outline of the 'IMO net-zero framework'*" and "develop a common base document reflecting different options" (invitation to informal consultations). Technically, the invitation to join was open to all IMO Member States and observers, as was the invitation to submit proposed MARPOL Annex VI amendment text for inclusion in the draft IMO net-zero framework. However, the invitation was not completely open, in practice. For instance, international observer organizations were informed that they could join the first day only if they submitted proposed text, and limits to participation some Member States faced are discussed below.

6 Several delegations, including the co-sponsors of this document, participated in the exercise and most found the opportunity to share information and build common understanding of the policy options before us very valuable. However, many delegations raised important concerns about the process, particularly the fact that not all Member States had the ability to participate fully, or at all, because of their limited capacity and time to prepare the required MARPOL amendment texts. And most participants, ranging from Member states to industry stakeholders/representatives, cautioned against using any outputs from this process as a baseline for the formal negotiation over the mid-term measures at ISWG-GHG 17.

7 The exercise resulted in two written outputs: a comparison table of proposed amendment text with notes from the discussion, and an attempt to incorporate proposed amendments into a "rainbow" document using the IMO net-zero framework. While the table output was seen by most participants as a useful resource that could help inform the formal negotiations, several delegations raised serious concerns with the "rainbow" document, particularly about suggestions that it would potentially be submitted to ISWG-GHG 17 / MEPC 82 as a base document for the formal negotiations.

8 Beyond questions of whether there was an appropriate and inclusive process in developing this document as a basis for the subsequent formal negotiations, the document is confusing and difficult to read. There were structural challenges with the *Illustration of a draft possible outline of the "IMO net-zero framework"* that made it difficult for some participants to incorporate their proposals, and disagreements arose on where and how various mechanisms could or should be integrated within the imposed framework.

9 The co-sponsors agree with the concerns raised, and urge the Working Group to reject any calls to use the "rainbow" document as a base negotiating text, specifically because:

- .1 developing it did not include all Member States and privileged those with greater capacity to develop or update proposals quickly and resources to participate; and
- .2 it was developed using an "illustrative draft" framework outline that had not been formally adopted by the Committee and into which participants in this exercise struggled to fit proposals with differing structures.

Proposal

10 Based on paragraphs 4 to 8, the co-sponsors suggest the following to advance the development and finalization of policy measures to implement the 2023 IMO GHG Strategy:

- .1 reject calls for using the "rainbow" document as a base text for negotiations at ISWG-GHG 17 and MEPC 82.
- .2 begin deliberations with consideration of the *"Illustration of a draft possible outline of the 'IMO net-zero framework'"* to agree upon a final outline of the IMO net-zero framework; and
- .3 use this agreed upon IMO net-zero framework to consider proposals, identify convergence, and begin to consolidate text during ISWG-GHG 17 and MEPC 82, drawing on the outputs of the informal intersessional efforts as resources to inform but not circumvent, this process.

Action requested of the Working Group

11 The Working Group is invited to consider the views and proposal described in paragraph 9, and to take action as appropriate.