

**Multi-year Expert Meeting on Transport, Trade
Logistics and Trade Facilitation
11th Session**

Maritime Transport in Times of Polycrisis

23-24 October 2024, Geneva

**Towards a fair and inclusive
decarbonisation of the maritime sector**

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**GETTING TO ZERO
COALITION**
GLOBAL MARITIME FORUM

Towards a fair and inclusive decarbonisation of the maritime sector

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How do we work ?

The Global Maritime Forum is an independent not-for-profit organisation committed to shaping the future of global seaborne trade. We focus on decarbonising the maritime industry and making life at sea more inclusive and appealing to people of all backgrounds



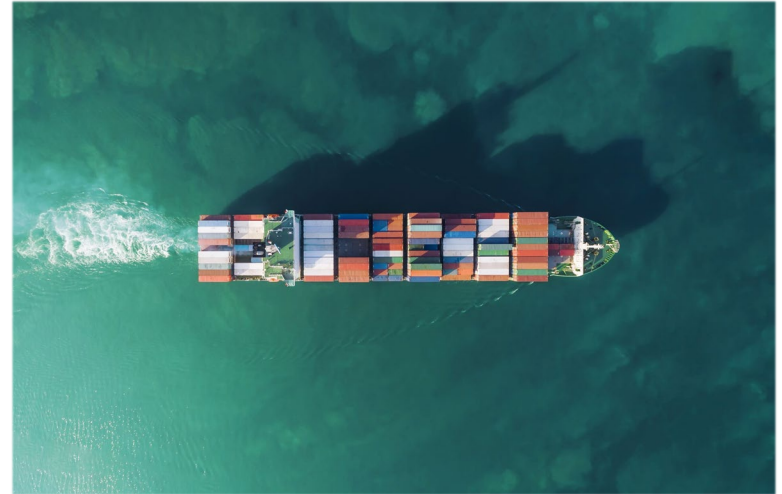
- Purpose driven rather than members driven
 - Opportunities through the willing rather than waiting for the most
 - Concrete action today towards long-term objectives
 - Non-competitive – rather collaborative
 - Non-exclusive, but with clear partner privileges.
- Getting the right stakeholders around the table !



Background information

What is the Getting to Zero Coalition?

- The Getting to Zero Coalition is managed by the **Global Maritime Forum**
- It was initially founded together with the **World Economic Forum** and **Friends of Ocean Action**.
- Brings together **over 200 members**, including decision-makers from more than **160 companies** across the maritime ecosystem.
- Getting commercially viable zero-emission vessels on deep sea trade routes by 2030, towards full decarbonization in 2050.
- Focus on the entire maritime value chain



Setting the scene

“If we can decarbonise shipping, we can decarbonise the world”

Why is decarbonizing shipping **challenging**?



- Challenging starting point: “bottom of the barrel” fuels, complex stakeholder environment, large distances traveled,..
- Challenging pathway: multiple fuel options, most either not yet available at scale or not scalable, require modifications to ships and bunkering infrastructure...

Why is decarbonizing shipping **important**?

- Large scale of emission reductions
- Closely intertwined with decarbonization of other sectors
- Offers significant co-benefits for countries and local communities
- Generates a number of good practices applicable to other sectors

Global regulatory landscape

The 2023 Revised IMO GHG Strategy is a clear step-up in the level of ambition

| | 2018 Initial GHG Strategy | 2023 Revised GHG Strategy | |
|-------------------------------|--|--|---|
| Absolute emission reduction | 2050: At least -50% | 2030: -20% striving for -30% 2040: -70% striving for -80% 2050: -100% | <p>Mid-term policy measures</p> <p> Economic measure Flexible system to increase cost Revenues to enable a just and equitable transition Support early uptake</p> <p> Technical measure Regulate GHG fuel intensity Reductions at set intervals Signal to scale up demand and supply</p> |
| Emission intensity | 2030: at least -40% 2050: at least -70% | 2030: at least -40% | |
| Fuel uptake target | - | 2030: 5% striving for 10% | |
| Just and equitable transition | - | Included | |
| Policy measures | Lists potential measures | Commits to the adoption of measures by 2025 | |

Two Key Objectives

What the 2023 Strategy should achieve

Energy Transition

“effectively **promote the energy transition of shipping** and provide the world fleet with a needed incentive while contributing to a **level playing field and a just and equitable transition**” *(para 4.5)*



Just & Equitable Transition

“due account should be taken to ensure a **just and equitable transition that leaves no country behind**, including supportive measures.” *(para 5.3)*

A Just & Equitable Transition

A different definition for different actors

- Addressing disproportionate negative impacts from policy measures
- Allowing equal access to the required infrastructure and technologies
- Reducing GHG emissions to minimise further impacts of climate change on vulnerable states
- Supporting wider climate adaptation and climate mitigation efforts
- Unlocking global opportunities for fuel production
- Equal participation in negotiations and discussions

**Out beyond ideas of
wrongdoing and
rightdoing,
there is a field.
I'll meet you there.**

- Rumi

Elements of the Policy Measures

GHG fuel intensity (GFI) target: mandated reductions in fuel or energy GHG intensity over time which could be either on a tank-to-wake basis combined with sustainability criteria or on a full well-to-wake basis.

Alternative compliance (flexibility) mechanism: ways to comply with the GFI targets. Either no flexibility applies, or flexibility in the shape of credit trading, pooling, or exemptions is applied.

Pricing mechanism: A potential pricing mechanism which either takes the form of a feebate or levy. Price level is the critical design element of a pricing mechanism.

Revenue disbursement: Revenue can be distributed to areas such as R&D, adaptation efforts, mitigating disproportionately negative impacts (DNI) and/or capacity building.

Relation to a Just & Equitable Transition

GHG fuel intensity (GFI) target

Strict targets create a predictable emission reduction curve, minimising further negative impacts of climate change

Alternative Compliance Mechanism

Can potential reduce the cost intensity but risks locking in developing countries as credit buyers and favours large companies

Pricing Mechanism

A levy can help drive the transition further but risks creating negative impacts on developing states, including food security

Revenue Disbursement

Sufficient and predictable revenue is critical to support early uptake of scalable zero-emission fuels and to support those negatively impacted by the transition

The positive impact of a levy

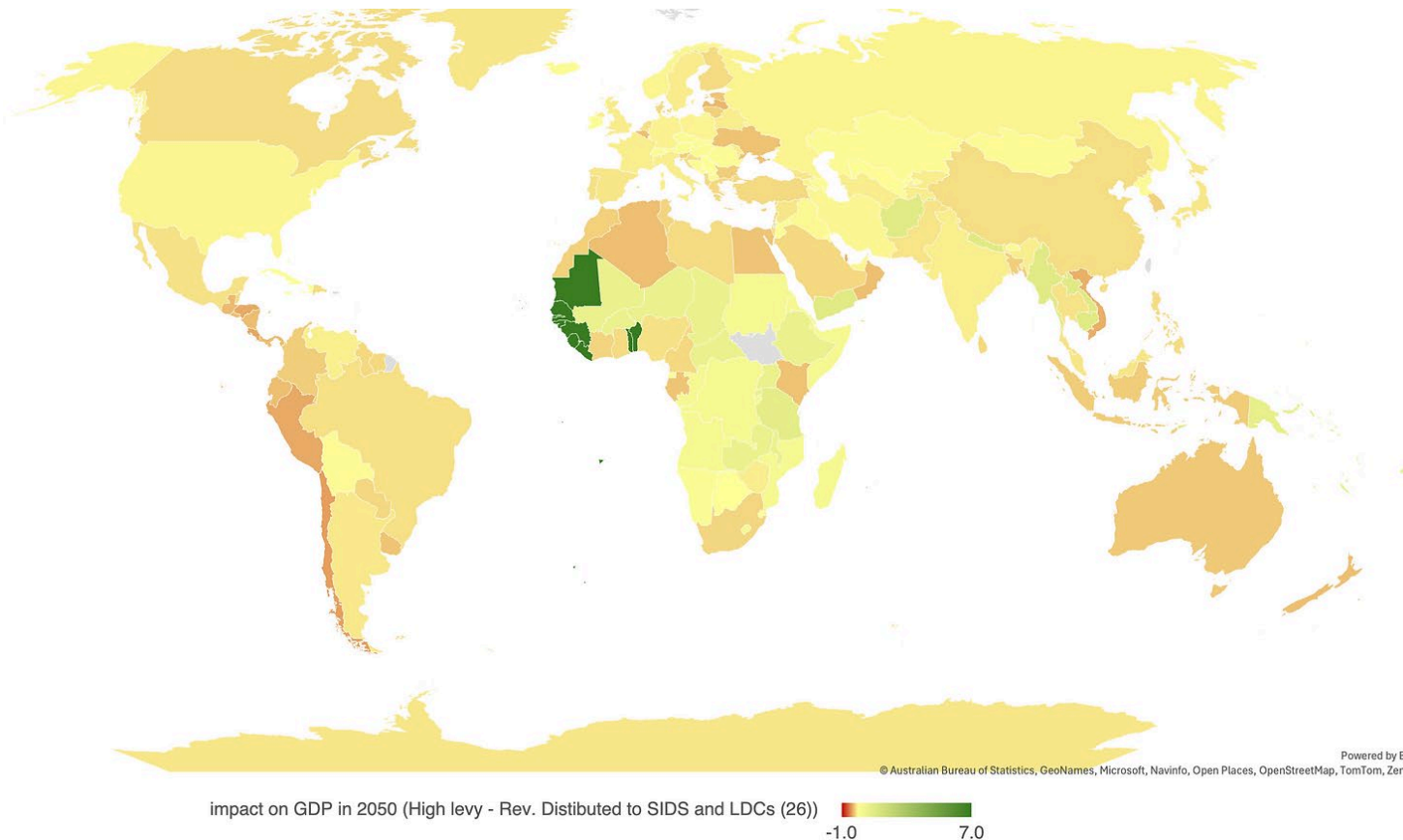


Figure 1: Map of GDP impacts by country in 2050 in a policy scenario with a GFS (with a flexibility mechanism and GHG price on marginal GHG emissions) and levy.

<https://www.shippingandoceans.com/post/new-tool-for-exploring-the-impacts-of-policy-measures-aimed-at-reducing-ghg-emissions-from-shipping>

The negative impact of no levy

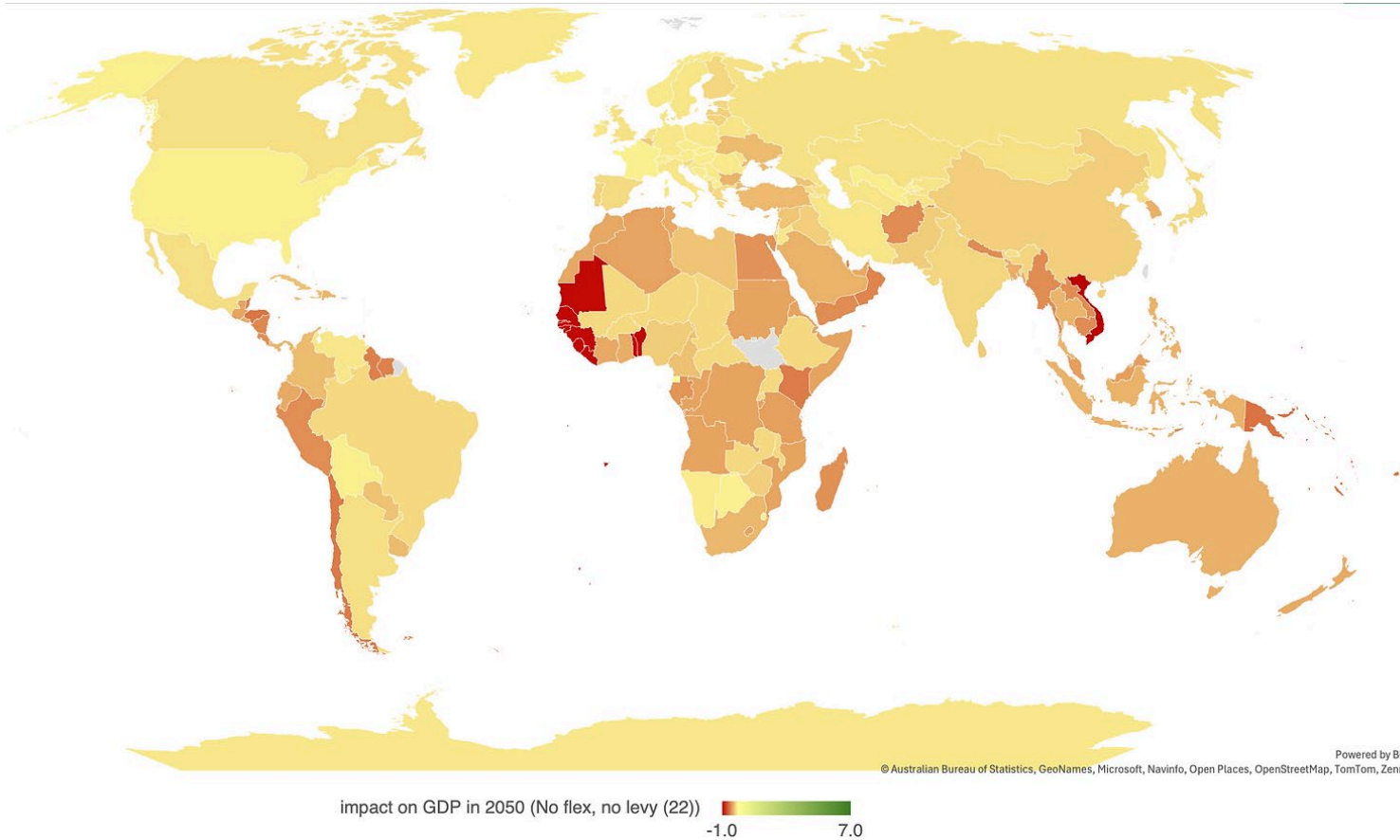


Figure 2: Map of GDP impacts by country in 2050 in a policy scenario with a GFS (with a flexibility mechanism and GHG price on marginal GHG emissions) and no levy.

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Conclusions

1

Countries have differentiated capacities to transition at different speeds, underlining the importance of ensuring a just and equitable transition from the start so countries are not left behind.

2

No stand-alone policy measure currently under consideration is likely to achieve both the energy transition objectives of (1) stimulating early adoption of SZEf around 2030 and (2) ensuring rapid ramp-up of SZEf towards 2040.

3

A just and equitable transition is not merely enabled by revenue deployment in SIDS and LDCs. Revenues provide a crucial tool but many lower-income countries will require additional support, including capacity building, seafarer training, technological inclusivity, wider climate adaptation support, and addressing DNI.