

Brussels, 27 September 2021 (OR. en)

12102/21

MAR 180 OMI 82 ENV 674 CLIMA 262

## **'I' ITEM NOTE**

| From:           | General Secretariat of the Council  |
|-----------------|---|
| То:             | Permanent Representatives Committee (Part 2)  |
| No. Cion doc.:  | 12084/21  |
| No. prev. doc.: | 12085/1/21 REV 1  |
| Subject:        | Submission by Member States and the Commission to the 77 <sup>th</sup> session of the International Maritime Organization's Marine Environment Protection Committee commenting on document MEPC 77/7/xx on the Revision of the Initial IMO Greenhouse Gas Strategy and MEPC 77/7/3 concerning a Resolution on zero emissions no later than 2050 |
|                 | <ul><li>Endorsement</li></ul>   |

# I. <u>INTRODUCTION</u>

1. On 22 September 2021, the <u>Commission</u> transmitted to the Council a Staff Working Document containing a draft submission to the 77<sup>th</sup> session of the Marine Environment Protection Committee (MEPC 77) of the International Maritime Organization (IMO) commenting on a submission by the United States *et al.* regarding the revision of the Initial IMO Greenhouse Gas Strategy and a submission by Kiribati, the Marshall Islands and the Solomon Islands regarding a draft resolution on zero emissions no later than 2050; both submissions are to be discussed at MEPC 77. The deadline for transmitting the draft submission to the IMO Secretariat is 1 October 2021.

## II. WORK WITHIN THE COUNCIL

- 2. The draft submission was presented by the <u>Commission</u> and examined by the members of the <u>Shipping Working Party</u> at their meeting on 27 September 2021. At the meeting, changes were made to the draft submission to reach on consensus of on the substance of the draft submission. The members of the working party also agreed to allow the Presidency to indicate at the time of transmission that the document may be released to the public by the IMO secretariat prior to MEPC 77.
- 3. In its Staff Working Document, the <u>Commission</u> holds the view that the substance of the draft Union submission falls under EU exclusive competence as it is largely covered by EU legislation. In this respect, the <u>Presidency</u> acknowledges that some delegations did not agree with the Commission's claim for EU exclusive competence. However, it is the understanding at the level of the Shipping Working Party that the submission falls under exclusive Union competence only if and to the extent that its subject matter is covered by EU legislation. To the extent that the matters covered by the submission are not largely covered by EU legislation, the understanding is that the submission is made by the Member States under shared competence and that this submission should not be construed as exercising shared Union competence.
- 4. Additionally, there is no agreement on who should submit the draft submission. The <a href="Commission">Commission</a> maintains the view that the draft submission should be made by "the European Commission on behalf of the European Union", while the <a href="Member States">Member States</a> consider that it should be made by the Member States and the European Commission.
- 5. Given the importance and urgency of the matter, it was agreed at working party level to propose to transmit the submission in the name of the Member States and the European Commission, while taking good note of the position of the Commission.

# III. CONCLUSION

6. In the light of the above, the <u>Permanent Representatives Committee</u> is invited to endorse the text of the draft submission in the annex, with a view to its transmission by the Presidency to the International Maritime Organization by 1 October 2021.

MARINE ENVIRONMENT PROTECTION COMMITTEE 77th session Agenda item 7 MEPC 77/7/xx 1 October 2021 Original: ENGLISH Pre-session public release: ⊠

# REDUCTION OF GHG EMISSIONS FROM SHIPS

Commenting on documents MEPC 77/7/xx and MEPC 77/7/3

Submitted by Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the European Commission

#### **SUMMARY**

Executive summary: This document comments favourably on and supports in general

the aims set out in proposals MEPC 77/7/xx by US *et al* suggesting to expedite the revision of the Initial IMO GHG Strategy and MEPC 77/7/3 by Kiribati *et al* calling for an MEPC resolution on reducing

emissions from shipping.

Strategic direction, if

applicable:

Output:

Action to be taken: Paragraph 14

Related documents: MEPC 77/7, MEPC 77/7/xx and MEPC 77/7/3

#### Introduction

This document is submitted in accordance with paragraph 6.12.5 of the *Organization and method of work of the Maritime Safety Committee and the Marine Environment Protection Committee and their subsidiary bodies* (MSC-MEPC.1/Circ.5/Rev.2). It comments on document MPC 77/7/xx submitted by the United States *et al* on the Revision of the Initial IMO Greenhouse Gas Strategy, and on document MEPC 77/7/3 submitted by Kiribati *et al* concerning a resolution on reducing emissions from shipping.

#### Aim

- This paper comments favourably on the request of the United States in MEPC 77/7/xx, supporting the process the document suggests and the general objectives it puts forward.
- In addition, it comments positively on the general aim of reducing emissions from shipping, consistent with the temperature goals of the Paris Agreement, put forward in the initiative for a resolution by Kiribati in MEPC 77/7/3 suggested for adoption by MEPC 77.

# **Background**

- As per the agreed programme of follow-up actions, the review of the 2018 Initial IMO Strategy on reduction of GHG emissions from ships should be initiated in 2021, which means that the work should start at MEPC 77.
- In MEPC 77/7/xx, the United States *et al* suggest to revise the Initial IMO GHG Strategy, focusing on the need to increase the ambition for emission reductions by 2030 and 2050. The submission also suggests to introduce levels of ambition for 2040 to be on track for the revised 2050 objective. The co-sponsors of that document propose that MEPC adopt a 2050 level of ambition of zero total annual GHG emissions from the international shipping sector.
- In MEPC 77/7/3, Kiribati *et al* propose a resolution committing to reduce greenhouse gas emissions from shipping in line with the temperature goals set by the Paris Agreement. The draft resolution states that the emissions from shipping should equal zero by 2050 at the latest.

#### **Discussion**

- The Intergovernmental Panel on Climate Change (IPCC) Special Report on Global Warming of  $1.5^{\circ}$ C (2018) and the IPCC Sixth Assessment Report of Working Group I (2021) have underscored the urgency of tackling the climate change crisis. The science makes clear that, to achieve the very low emissions scenario considered by the IPCC, which would limit temperature rise in 2100 to 1.5 degrees Celsius, total  $CO_2$  emissions from all sectors must peak immediately, undergo deep reductions in the 2020s, and reach at least net zero by 2050.
- The European Union has committed to an economy-wide GHG emissions reduction target under the Paris Agreement, which has been translated into the European Climate Law<sup>1</sup>. This makes the EU climate objectives—at least 55% net GHG emission reductions by 2030 below 1990 levels and climate neutrality by 2050—legally binding for the EU member States.
- 9 The co-sponsors are of the view that the review of the 2018 Initial IMO Strategy on reduction of GHG emissions from ships should be launched swiftly. This should be done with the aim of increasing its level of ambition and reducing GHG emissions from international shipping as soon as possible, in line with the Paris Agreement goals. This is necessary to send a clear signal to the market and to further stimulate the production, deployment and uptake of renewable and zero- and low-carbon fuels and technologies worldwide.

<sup>&</sup>lt;sup>1</sup> Regulation (EU) 2021/1119 of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law')

- In this context, the co-sponsors support the urgent need to launch the process of revising the Initial IMO Strategy and its level of ambition, with the aim to set the sector on the path towards full decarbonisation. The revision of the strategy should take into account data on actual levels of emissions, emissions reduction options for international shipping, including the deployment of new technologies, and the reports of the Intergovernmental Panel on Climate Change (IPCC), as relevant. It must also take into account the constraints of developing countries, as appropriate, especially small island developing States (SIDS) and least developed countries (LDCs), ensuring the needed technological cooperation and financial support.
- 11 The co-sponsors also support the need to set intermediate goals for GHG emissions reduction from international shipping. This is subject to their evaluation at periodic intervals and on a scientific basis. Setting such milestones would facilitate implementing IMO mid- and long-term measures as a matter of urgency.
- The co-sponsors consider that the goals of the IMO Strategy on reduction of GHG emissions from ships should remain technology-neutral. This means without favouring or excluding any specific renewable and low-carbon fuels or technologies. This is without prejudice to discussions on concrete mid- and long-term decarbonisation measures, where targeted incentives may need to be considered.

### **Proposal**

In conclusion, the co-sponsors express their general support to the proposals contained in MEPC 77/7/xx by US *et al* and to the aims of reducing emissions from shipping put forward in the initiative for a resolution in MEPC 77/7/3 by Kiribati *et al*. The co-sponsors propose that the Committee initiates the revision of the Initial GHG Strategy, focusing on the need to increase the ambition for emission reductions by 2030 and 2050 and to achieve climate neutrality by 2050 at the latest.

#### **Action requested of the Committee**

The Committee is invited to consider the above comments and the proposals contained in the documents mentioned in paragraph 13 and take action as appropriate.