

Global decarbonization after the COP – new hope for zero by 2050?



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COP26 in Glasgow was a landmark for the decarbonization of shipping. The formal agreement may seem thin, but many other initiatives have created a global momentum that cannot be ignored anymore. This creates hope, also for the heavy discussions on Market Based Measures going on right now in the IMO's 77th session in the Marine Environment Protection Committee.

The COP and shipping

Let's begin with the COP. At first sight, the 26th "Conference of the Parties" left us with a bittersweet taste in the mouth. Shipping is not mentioned in the final agreement. The national implementation of the Paris agreement targets in the member states is far away from a scenario keeping global temperature increase to 1.5 C. Still, there is good news. Shipping was more visible than ever before, resulting in a prominent position for the sector.

Four central take-ways from the COP can be highlighted:

1 First, governments launched a number of ambitious shipping initiatives. A highlight at the beginning of the COP was the dedication to a global zero as a new 2050 target for IMO, formulated by US Special Envoy John Kerry, Denmark's Prime Minister Mette Frederiksen, the Marshall Islands Minister Bruce Bilimon with good backing from a number of countries.

2 Second, private shipping stakeholders were as active as never before. Already before Glasgow, a number of initiatives were launched – like the Getting to Zero Coalition Call to Action, the Cargo Owners for Zero Emission Vessels (CoZEV) and several calls for the introduction of global carbon pricing for the shipping sector.

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Third, the close and visible cooperation between public and private stakeholders made a significant difference for the time after the COP. A highlight was the Clydebank initiative dedicating governments to the establishment of green corridors – presented together with a number of large companies. The industry came across aligned and committed - in close cooperation with public stakeholders.

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Fourth, apart from the large announcements, we witnessed a lot of other activities around the COP, ranging from NGOs to civil servants and company leaders with a focus on shipping. As one example, the events arranged by the Zero Emission Shipping Mission within Mission Innovation gathered a large group of top decision makers from governments and business defining necessary next steps for green first movers. These activities and networks after such a long time without physical contacts across the globe due to covid are of great importance – creating and strengthening relationships. This gives hope for the upcoming work at IMO.

Still a long way to go – also at IMO MEPC77

Expectations are high as the IMO meets for the 77th MEPC meeting in London this week. At this meeting, Market Based Measures are expected to be in focus. But MBMs are far from the only point on the agenda. IMO has a number of other elements on decarbonization of shipping on the plate – not to mention all other items that also need to be addressed not forming part of the climate discussion. On top of the time constraint following the packed agenda the discussion need to happen remotely as is the continuation of the covid crisis does not allow for at full physical meeting.

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What to expect from MEPC77

As a minimum, delegations should be able to agree on a road map for the upcoming work with Market Based Measures, with an ambitious deadline for a decision. But we should expect more ...

In our perspective, IMO needs to reach consensus on the following elements:



Net-zero by 2050 with clearly defined milestones in 2040 and 2030



A global Carbon Pricing model accelerating the green transition



A direct ambitious CO2 reduction, e.g. through a Carbon Intensity Scheme for fuels, reducing CO2 to zero by 2050

To reach this, the announcements at the COP were an excellent first step. But they need to be followed by concrete maritime climate diplomacy action. The nations engaging for zero by 2050 will have to activate even more diplomatic resources to convince those countries that remain critical.

What's next?

With Glasgow behind us and no quick fix from the MEPC in sight – where should we focus? The answer is to be found on the political level in the European Union and major ports and port cities around the globe.

First, we need to look at concrete political initiatives that actually are expected to be implemented. The most concrete political large-scale initiative on the decarbonization of shipping comes from Brussels. The EU Commission's announcement of the integration of shipping in the Emission Trading Scheme is the most concrete proposal at hand.



The work at the European Parliament has begun, with German conservative Peter Liese in the lead for the integration of shipping in the ETS. In parallel, EU member states represented in the Council get ready for the expected negotiations between Council, Commission and Parliament.

Most observers are not in doubt that the ETS for shipping will come, the only question is how and the outcome of the EU negotiations is expected to put more pressure on IMO for a global solution. In addition, it is expected to deliver an example of carbon pricing in the shipping sector at large scale.

Second, we need to show the world it is possible to decarbonize a whole shipping value chain, end-to-end. Therefore, we need large scale first mover projects, the Green Corridors. The Clydebank initiative has created new impetus but it needs to be followed up by concrete initiatives, directly addressing technological and regulatory challenges. Large scale examples need to be in place well in advance of 2030 to be able to upscale globally, leading towards zero carbon shipping by 2050.



The Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping is proud to be actively engaged in a number of concrete projects along the value chain together with strong strategic industry partners. The challenges are enormous – not only finding and applying new technological solutions, but also establishing new regulation and not at least finding resources to finance large scale projects, just to mention a few elements. De-risking the whole value chain to demonstrate that “it is possible” is the DNA of the Center.

