

Maritime environment protection at IMO: white smoke on short-term measures, but still no real commitment on level of ambition and CO₂ pricing

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IMO's Marine Environmental Protection Committee (MEPC 76) has adopted short-term energy efficiency measures for international shipping with a view to implementing the interim GHG reduction strategy from 2023 onwards. Although the MARPOL Amendments contain mandatory requirements for both the technical standard of existing ships and for ship operation, the package is lacking ambition and clarity. Important guidelines are still missing or are incomplete and maintain regulatory uncertainty that will hamper technological development.

The proposed energy efficiency index for existing ships (EEXI) is not demanding enough to utilize the full reduction potential of innovative energy-saving technologies and available alternative fuels. And also, the level of ambition required by the new Carbon Intensity Indicator (CII) is not only low, but almost belittling. The CII reductions of 11% decided for the timeframe 2019 until 2026 are based on the assumption that international shipping has achieved most of its short-term obligations already in the decade 2008-2018. This assessment, however, suffers from an inconsistent use of transport work definitions.

The review agreed for 2026 might not deliver the necessary strengthening, because Small Island Developing States and Least Developed Countries reserved their position that 'disproportionate negative impact on states' has to be avoided. Therefore, rather more exemptions than stricter enforcement can be expected in the course of future IMO deliberations. This will further weaken the overall GHG reduction potential of the measures because it is obvious that a significant percentage of the world merchant fleet is flying the flag of states requesting an exemption.

These interests also hamper progress on further measures aiming at climate neutral shipping. Since IMO has not updated the vision to phase-out GHG emissions by the end of the century, no consensus could be achieved on the early implementation of market-based measures putting a significant price tag on CO₂ emissions.

The Secretary General of SEA Europe and CESA, Christophe Tytgat, is expressing the frustration of shipbuilders and equipment manufacturers: *"Climate protection requires legal certainty instead of narratives. We cannot turn back the clock in 2026 if a review reveals that the ambition of MEPC 76 was not sufficient to solve the climate crisis."*

Since IMO is split and paralyzed, a European impetus is needed. It is, however, not enough to just increase the reduction percentages or to move deadlines. The EU should also be the frontrunner in defining instruments appropriate for the maritime industry.

Climate neutral shipping requires an approach that is open for all technological and alternative fuels options recognizing the holistic nature of the climate crisis. Therefore, the fuel portfolio should not be unduly narrowed by a zero direct (tailpipe) CO₂ emission focus currently implemented by EU taxonomy and state aid initiatives.

SEA Europe calls upon the European Commission to support technological neutrality and a goal-based approach, including for dual-use technologies, to avoid a curtailing of (innovative) clean technologies and to stimulate a rapid development of alternative fuels for waterborne transport.

‘The EU has to act now, demonstrating that climate protection can successfully be combined with the market success of environmental technology: this requires ambitious goals, instruments appropriate for shipping as well as investment aid for fleet renewal and retrofitting open to all technological and alternative fuels options’’, Christophe Tytgat highlighted on the need for a holistic approach.

Background Note: SEA Europe represents close to 100% of the European shipbuilding industry in 18 nations, encompassing the production, maintenance, repair and conversion of all types of ships and floating structures, commercial as well as naval, including the full supply chain with the various producers of maritime systems, equipment material, and services.

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