

IMO can lead way with ship efficiency regime

Christopher Koch - Tuesday 23 February 2010



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TRANSPORT produces roughly 28% of the world's CO2 emissions. Of that, 21% of those emissions are from road transport (trucks and cars), 2.6% from aviation, 2.7% from international maritime shipping and the remainder from rail, domestic shipping and fishing.

Maritime shipping is the most carbon-efficient transport modes. As such, it should be encouraged, not treated less favourably than other forms of transport. This conclusion is not merely a convenient point to be promoted by maritime transport interests; it is sound environmental policy.

Discussions within the maritime community reflect an uncertainty about the path the International Maritime Organization may choose to take to address CO2 emissions and about whether the IMO member states can find agreement in the wake of the December UN Copenhagen climate conference.

During the Copenhagen conference, governments considered the question of whether specific carbon-emission reductions targets or emission caps should be established for the global economy, as well as for international aviation or international maritime shipping.

There was no decision to do so. Nor was there any agreement to construct a global emissions cap-and-trade system in which shipping and other industrial sectors might be expected to participate.

This was probably not surprising to most observers, but it does leave the IMO, the International Civil Aviation Organisation and other industrial sectors' regulators with no consensus guidance for how to proceed with addressing the issue of carbon emissions from their sectors.

At the IMO, differences and a notable lack of agreement on what policy approach should be taken have been present for some time. Some governments and non-government organisations have indicated support for a greenhouse gas fund or emissions trading system, but it appears increasingly unlikely that there is adequate support within the IMO member states for action to proceed down either of these paths.

Energy prices continue to climb, and many experts forecast further increases as the world emerges from recession. The implications have not been lost on those who will have to pay the industry's fuel bills and others who are working to improve fuel efficiency.

There is a strategic approach to the carbon-emission challenge that would seem logical as a path forward at the IMO. A legally-binding global system that requires stringent, but realistic, improvements in energy efficiency across the fleet, for both newbuildings and existing ships, would be a logical mechanism to reduce emissions within the sector while also lessening the growing cost burden associated with fuel consumption.

Improved vessel efficiency reduces emissions, fosters further trade and helps drive development across the world in a manner that improves the quality of life and standard of living in countries across the globe, both developing and developed. The growing support for an efficiency-based approach is evident in recent submissions made by Japan, the US and the World Shipping Council.

Most observers would probably acknowledge that the different approaches tabled to date at the IMO have merits as well as significant challenges. Development of a global vessel-efficiency system that is practical, relatively simple and effective in driving significant improvement across the fleet would be difficult, but its development should not face the same objections and impediments that are associated with a global fuel levy or emissions trading system.

Such an approach would also be far more consistent with approaches being taken by those governments that are seeking to reduce carbon emissions from other transport sources. These generally focus on vehicle or conveyance emission and/or efficiency standards applicable to the design and manufacture of individual vehicles and conveyances. Establishing emission caps or limits on the actual operation of a transport sector as a whole has not been deemed practical or appropriate to such efforts.

Real progress in reducing carbon emissions within the maritime sector will be a function of improving vessel efficiency. Focusing carbon expenditure on investment in improving fleet assets would improve efficiency and produce real environmental results. It would not rely on offsets. It would fall within IMO competence and is not dependent on broader international infrastructure or agreements.

It would reward technical improvements to vessels, could be comparatively simple to establish, may be politically viable in contrast to global fuel levies or international emission trading systems, and could be cost-effective when compared to other approaches.

The World Shipping Council has submitted a proposal to the IMO for how a vessel efficiency system might be created (see www.worldshipping.org). The governments of Japan and the US have proposed their own ways to reward vessel efficiency. Focusing attention on development of a comprehensive energy-efficiency regime for the fleet offers an opportunity for the IMO to move forward.

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