



# SEMAPHORE

Newsletter of the Maritime Law

Association of Australia and New Zealand



## Pacific GHG Levy Proposal on IMO Agenda

A proposal to introduce a US\$150 per tonne of emissions levy on global shipping is among those being considered at this month's International Maritime Organization (IMO) Intersessional Working Group on Reduction of Greenhouse Gas (GHG) Emissions from Ships.

Submitted by Pacific Islands states and Belize, the proposal is an update from one that was put forward in 2021.

Solomons head of delegation Alan Lillia reportedly stated: "We're disappointed with the elapsed time since our original submission at MEPC76. Originally proposing a US\$100/tonne entry price for operationalisation by 2025, we now need to adjust upwards to \$150/tonne with the starting time pushed to 2027."

The levy has been endorsed by Clean Shipping Coalition president John Maggs.

"Setting goals is one thing, but agreeing and implementing the regulations that will propel the shipping sector towards a clean and just transition is quite another matter", he said.

"The hard work for the IMO starts during [this month's] meeting, when it can avail of several tools to achieve these changes. A greenhouse gas levy on ship fuel, such as the \$150 proposal from Pacific Island countries and Belize, is essential to funding a just energy transition and ensuring no-one is left behind."

Mr Maggs said an IMO GHG fuel or energy standard was also needed to incentivise the uptake of wind propulsion and ensure that future new fuels are available when required.

"Most importantly, the IMO must move swiftly to revise its Carbon Intensity Indicator and agree tough new requirements to ensure that ships improve energy efficiency year on year. This is especially important to ensure the lowest-cost, most-efficient energy transition and to incentivise shipping behaviour, such as slower speeds, that will also provide important ocean health co-benefits."

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