



SEMAPHORE

Newsletter of the Maritime Law

Association of Australia and New Zealand



Fund Proposed to Accelerate Shipping Emissions Targets

A detailed proposal for a Zero Emission Shipping Fund (ZESF) has been put before the International Maritime Organization (IMO) by the International Chamber of Shipping (ICS).

Co-sponsored by the Bahamas and Liberia – two of the world’s largest flag state administrations by gross tonnage – the proposal entails mandatory contributions on ships’ greenhouse gas (GHG) emissions to raise billions of dollars annually.

ICS secretary general Guy Platten emphasised that the transition to net-zero shipping “must be truly global”.

“Otherwise, it will not succeed,” he said.

“ICS fully supports the net-zero goal which IMO has agreed for shipping. The 2050 goal will only remain plausible if government negotiators now roll up their sleeves to develop the regulations needed to establish the Zero Emission Shipping Fund.



ICS secretary general Guy Platten

“A global GHG pricing mechanism for shipping urgently needs to be agreed on next year, which will de-risk investment in zero GHG marine fuels and provide billions of dollars of funds to support developing countries.”

Mr Platten described the fund proposal – which has built on a concept put forward by the Government of Japan with support from European Union states for a flat rate “levy-based” global contribution system – as involving a “carefully thought-out mechanism”.

“Which is equitable, transparent and simple.

“The first IMO target for 2030 is less than six years away. If we don’t achieve a take-off point in the production and uptake of zero GHG marine fuels by 2030, it’s hard to see how net-zero will be achieved by 2050.

“The groundwork has been done and the regulatory architecture has been carefully laid out. All that is needed is political will from governments to implement this fit-for-purpose solution quickly and effectively.”

The proposal 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.

March 2024

