

IMERS

International Maritime Emission Reduction Scheme



ICT for IMERS

**Generating Additional \$billions for Climate Action through
a Differentiated Levy on Shipping Fuel**

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1. Current mechanisms to finance climate change adaptation in developing countries are inadequate, both in scale and design

- The financing gap is huge, 100:1
 - Tens of \$billions are needed annually
 - Available total: \$0.4bn

Yet the poorest countries are most vulnerable, will be hit hardest by climate change and did not create the problem



2. International shipping emissions are outside of the Kyoto Protocol

- Attempts to address them have failed
- They are significant and grow rapidly
- **Double+ the emissions from aviation**
- Regulation needs to comply with the differentiated climate regime (CBDR)
- Global and complex

Example:

How to attribute ship's emissions:

- Swiss owned
- Flying Liberia flag
- Chartered by Danish company
- Leaving Saudi Arabia
- Cargo for NY, and Shanghai
- Via international waters

... One Solution

Supra-national, enabled by ICT

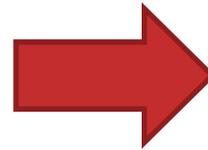


- International shipping CO₂ emissions would form one emission bubble (no allocation to countries)
- Ships would be liable to pay a levy on fuel for transporting goods to:
 - Rich countries only: @100%
 - Poor countries only: 0%
 - Both to rich & poor: 60%, on average
 - Based on % of goods transported to rich countries annually by the ship/company
 - Enforcement in Annex I ports: pay up 100% or prove you should pay less
- Level of levy would be determined by an emission cap and the market carbon price (by a formula not a political body)
 - Levy paid to the central ship account - bypassing national coffers!
 - Based on already compulsory fuel receipts
 - **100% of revenue generated goes to climate change**

- Worldwide, the share of goods transported to Annex I is **60%**
 - Day 1 of scheme: 60% of maritime emissions covered, with an ambitious emission cap e.g. **20% emission reductions** for Annex I

- Easily Affordable:**

- Marginal cost: just +0.1% on import prices to Annex I (**\$1 per \$1,000**)
- No impact on imports to non-Annex I



FUNDS pa*	2013
Adaptation	2.5
Mitigation	2.5
Technology	1

* In \$billions per annum

TOTAL: \$6bn+

- A central, supra-national approach and ICT solution would be:
 - Efficient and implemented rapidly; it could operate from 2013 vs. decades for the separate country-by-country approach
 - Future-proof, by being automatically compatible with any CC regime
 - Legal under international laws (UNCLOS, WTO, MARPOL; would use IOPC Funds as the precedent for direct collection of funds)

- Benefits of intern'l collaboration enabled by ICT are very significant:
 - Lower costs, even 100 times; → increased payout to climate
 - Increased compliance
 - Increased speed to results, global deployment in just a few years
 - Reduced risk of failure to address global issues; reduced delivery risks
- From our experience, such a paradigm shift requires:
 - Financial support to scale up (*please talk to us if you can help*)
 - Practical solution demonstrators to convince sceptics
 - Mobilization of various stakeholders
- The EU is in privileged position to have a leading role in putting such an ICT-enabled solution to work:
 - It is one of the least controversial and most effective ways to generate significant additional climate change funding
 - Already on the negotiation table, supported by many countries
 - Details: imers.org