

## Joint Communiqué

### **Shipping sector proposes USD 5 billion R&D board to cut emissions**

**UNDER EMBARGO UNTIL 00.01 18<sup>th</sup> December**

The global maritime transport industry has submitted a proposal to form the world's first collaborative shipping R&D programme to help eliminate CO<sub>2</sub> emissions from international shipping. The proposal includes core funding from shipping companies across the world of about USD 5 billion over a 10-year period.

#### **Highlights of the proposal:**

- **A new non-governmental Research & Development organisation to pave the way for decarbonisation of shipping.**
- **Core funding from shipping companies across the world of about USD 5 billion over a 10-year period.**
- **To accelerate the development of commercially viable zero-carbon emission ships by the early 2030s.**

International maritime transport carries around 90 percent of global trade and is currently responsible for approximately 2 percent of the world's anthropogenic CO<sub>2</sub> emissions. To achieve the Paris Agreement's climate change goals, rapid decarbonisation is vital – also for international shipping. It is shipping's global regulator, the UN International Maritime Organization (IMO), which has responsibility for regulating the reduction of CO<sub>2</sub> emissions by international shipping.

The industry-wide move to accelerate R&D is necessary to ensure the ambitious CO<sub>2</sub> reduction targets agreed to by IMO Member States in 2018 are met.

These ambitious IMO targets include an absolute cut in the sector's total greenhouse gas emissions of at least 50 percent by 2050, regardless of trade growth, with full decarbonisation shortly after. The 2050 target will require a carbon efficiency improvement of up to 90 percent, which is incompatible with a continued long-term use of fossil fuels by commercial shipping.

Meeting the IMO GHG reduction goals will require the deployment of new zero-carbon technologies and propulsion systems, such as green hydrogen and ammonia, fuel cells, batteries and synthetic fuels produced from renewable energy sources. These do not yet exist in a form or scale that can be applied to large commercial ships, especially those engaged in transoceanic voyages and which are currently dependent on fossil fuels.

The shipping industry is proposing the establishment of an International Maritime Research and Development Board (IMRB), a non-governmental R&D organisation that would be overseen by IMO Member States.

The IMRB will be financed by shipping companies worldwide via a mandatory R&D contribution of USD 2 per tonne of marine fuel purchased for consumption by shipping companies worldwide, which will generate about USD 5 billion in core funding over a 10-year period.

This USD 5 billion in core funding over a 10-year period generated from the contributions is critical to accelerate the R&D effort required to decarbonise the shipping sector and to catalyse the deployment of commercially viable zero-carbon ships by the early 2030s.

Although the R&D programme and its funding is an initiative of the leading international shipowners' associations, additional stakeholders' participation is welcomed. A global fund can be established quickly, and the shipping industry is confident that other stakeholders will also want to contribute, potentially generating substantial additional funding for R&D.

In a proposal to the UN IMO, the industry has set out details for governance and funding of the coordinated R&D programme, which can be put in place by 2023 via amendments to the existing IMO Convention for the Prevention of Pollution from Ships (MARPOL).

The shipping industry's proposal will be discussed by governments in London at the next meeting of the IMO Marine Environment Protection Committee in March 2020

A copy of the full proposal can be found here [\[inset link\]](#).

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#### **NOTES TO EDITOR:**

The international shipowner associations making this proposal, which collectively represent all sectors and trades and over 90% of the world merchant fleet, are:

- BIMCO
- CRUISE LINES INTERNATIONAL ASSOCIATION
- INTERCARGO
- INTERFERRY
- INTERNATIONAL CHAMBER OF SHIPPING
- INTERTANKO
- INTERNATIONAL PARCEL TANKERS ASSOCIATION
- WORLD SHIPPING COUNCIL

Images – small experimental hydrogen ship (credit – CMB Group); potential large oceangoing zero-carbon ship of the future (credit- French Shipowners' Association).