IMERS

**International Maritime Emission Reduction Scheme**

Dr Andre Stochniol
Director & Founder
23 Earlsthorpe Rd
London, SE26 4PD, UK
www.imers.org

E: andre@imers.org
P: +44 208 77 66 211
F: +44 208 77 66 212
M: +44 7809 764 894

# IMERS Credentials and Outline

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## 1. Credentials

Within just one year of its creation, the **IMERS**[1] proposal was brought to the International Maritime Organization (IMO), discussed internationally[2] and followed by practical submissions from various states, including **Norway**[3]**, Denmark**[4]**,** and South Africa[5]. In 2007 the submission from Norway received support from the EU countries and 10 other states at the 56th session of the IMO Marine Environment Protection Committee[6] (MEPC). Seen as an effective short-term[7] measure, its elements were positively discussed during the 57th session of the IMO MEPC in April 2008.

The proposal was also included in the recent views to the UNFCCC sessions of AWG-LCA by Norway[8], and AWG-KP by Norway[9] and separately by the European Union (EU)[10]. It was also presented by both Norway and the EU, and subsequently positively discussed at the UNFCCC session in Bangkok[11] in April 2008. Later it was discussed at the UNFCCC workshop on the review of Kyoto Protocol[12], and during the Bonn Climate Change Talks[13]. Recently IMERS has been recommended in two special reports for the Toyako G8 summit[14].

## 2. Why Maritime Emissions?

### 2.1 Background

The $CO_2$ emissions from international maritime transport are very significant at 1Gt$CO_2$; these will grow strongly in the coming decades. They are more than double the emissions from aviation, and greater than the emissions from the sixth highest polluting country (Germany). Reducing these emissions is one of the most methodologically complex and politically difficult issues facing the international community.

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[1] IMERS – International Maritime Emission Reduction Scheme, www.imers.org.

[2] www.imers.org/buyin/achieve contains list of key meetings and submissions.

[3] IMO MEPC 56/4/9, by Norway, Elements of a possible market-based $CO_2$ emission reduction scheme, May 2007. See also Norwegian presentation from a side event during COP13 in Bali.

[4] IMO MEPC 57/4/5, by Denmark, A global levy on marine bunkers, primarily to be applied for the acquisition of $CO_2$ emission quotas through the purchase of $CO_2$ credits, Dec 2007.

[5] IMO MEPC 57/4/27, by South Africa, A hybrid market-based instrument for shipping to contribute fairly to climate change mitigation and adaptation, Feb 2008 (withdrawn from discussions).

[6] IMO MEPC 56/23, Report of the Marine Environment Protection Committee on its 56th session, July 2007, p. 4.48-4.52.

[7] IMO MEPC 57/4/5, sect. 5.11, Report of the Intersessional Correspondence Group on GHG Related Issues, Dec 2007.

[8] FCCC/AWGLCA/2008/MISC.1, Views regarding the work programme of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention. Submissions from Parties. March 2008, pg. 54.

[9] FCCC/KP/AWG/2008/MISC.1, Views and information on the means to achieve mitigation objectives of Annex I Parties, Submissions from Parties, March 2008, pg. 46-50.

[10] ibid, pg. 74-76.

[11] AWGLCA 1 and AWG 5 highlights, 3 April 2008 (see http://imers.org/buyin/achieve for webcast links).

[12] Workshop on Article 9 KP, International aviation and maritime transport, Bonn 28-29 April 2008.

[13] Bunker fuel emissions, adaptation funding and technology transformation; and Roundtable AWG KP.

[14] International Adaptation Finance; and Energy and Climate: Opportunities for the G8.

### 2.2 Motives

Addressing the growing emissions from shipping and unlocking the deadlock is a major diplomatic and a public good opportunity. Capacity to address the issue is often missing.

Emissions from international maritime transport had to be excluded from the Kyoto Protocol in 1997 and little progress has been achieved since then.

At the same time, the need to reduce the significant financing gap for adaptation to climate change in developing countries has become even more urgent (demand exceeds 100 times the available funding).

## 3. Value Proposition

### 3.1 Outline

In early 2007 I created an ambitious International Maritime Emission Reduction Scheme (IMERS), and subsequently established the IMERS.org initiative. IMERS is a novel, hybrid, market-based scheme to mitigate maritime $CO_2$ emissions globally. It will deliver an emission reduction target for the entire maritime sector through a harmonized emission charge (levy) which will be partially used to purchase emission reduction credits. Simultaneously, it will reduce the gap in financing of adaptation to climate change in developing countries, while also providing financing for technology transformation.

We believe IMERS is the first practical proposition that **delivers on** all the four building blocks of the **Bali Roadmap**: mitigation, adaptation, technology, and financing. It does so at a scale of 10 billion dollars annually, of which **$4bn is for mitigation, $4bn for adaptation, $2bn for technology** development and transfer.

### 3.2 Advantages

IMERS has significant advantages. It totally eliminates the three central barriers associated with the previous proposals. Under cap-and-trade system, these barriers are almost insurmountable for international shipping where there is very high uncertainty about total emissions. In IMERS:

- Baseline is not required, removing the need for reliable emissions data;
- There is no requirement to allocate emissions;
- No allowances are distributed.

The proposed hybrid scheme also:

- Reduces impact on competition, cost, and set up time;
- Raises the scheme effectiveness, flexibility, and scale;
- Creates new value through innovative financing for technology, and for adaptation to climate change in developing countries.

### 3.3 Action Streams

IMERS vision and value proposition are executed through a non-profit initiative IMERS.org. The goal of the current 2-year phase is to deliver an internationally supported proposal for a maritime emission reduction scheme together with a practical demonstrator at the UNFCCC COP 15 in Copenhagen in Dec 2009. The action streams are:

1. Preparation/facilitation of submissions (mainly to the IMO and UNFCCC)
2. Impact analysis and modelling (for different countries and stakeholders)
3. Building scheme demonstrator (to prove feasibility and improve design)
4. Presenting/shaping the scheme (to/with stakeholders)
5. Awareness campaign (external visibility, and public support)

Each action stream has been established to respond to the needs of the participating stakeholders, specifically from the developing countries. Current completion exceeds 25% for each action stream.