

Once again, net zero becomes a matter of funding

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Any achievement of net-zero shipping needs more support and funding from the US, according to speakers at a COP26 side event in Glasgow hosted by the International Chamber of Shipping (ICS).

The US was a “drag anchor on the IMO” under the Trump administration when it came to climate policy, according to Lord Adair Turner, panel moderator and Chair of the UK-based Energy Transitions Commission.

He said that US politicians were wary of a carbon tax policy. “What you sometimes find ... is that political processes don’t like things called carbon pricing or taxing, but they’re quite willing to accept fuel duty mandates, which any economist will tell you are going to have the same effect as a carbon price,” said Turner. “But they’re just more politically acceptable because the US Congress doesn’t say, ‘oh, that’s an international tax.’ It is accepted as an international regulation.”

Few commitments were heard from the panel. Turner asked Andrew Light, US Department of Energy Assistant Secretary for International Affairs, what the US thought of IMO-led market-based instruments. Light would only say that the US would “look seriously at whatever solution is going to get us across the finish line.” Chilean Minister of Energy and Mines, Juan Carlos Jobet said that “I think it’s good to have the US back at the table”.

The ICS on October 8th called for the IMO to adopt a net-zero GHG target for 2050, doubling the IMO’s 2018 target of 50% below 2008 levels, on the condition new funding instruments are in place.

This push for net zero came despite active lobbying by the European Community Shipowners’ Associations (ECSA) to weaken efforts to include the sector in EU-level regulations on carbon neutrality, according to a report by think tank InfluenceMap.

The ICS has called on the IMO to create a global fund collected from shipowners globally with \$5bn for R&D on technologies that use cleaner shipping fuels. It said that the IMO Maritime Research Fund (IMRF), if adopted by governments at the IMO, “could lead to regulation that will swiftly move the shipping sector and associated industries towards a zero-carbon future”.