

# 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

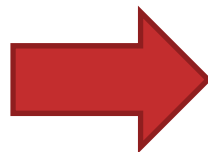


- International shipping CO<sub>2</sub> emissions would form one emission bubble (no allocation to countries)
- Ships would be liable to pay a levy on fuel for transporting goods to:
  - Rich countries only: @100%
  - Poor countries only: 0%
  - Both to rich & poor: 60%, on average
    - Based on % of 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



<b>FUNDS pa*</b>	<b>2013</b>
<b>Adaptation</b>	<b>2.5</b>
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](http://imers.org)