



Norwegian Climate Policy: Greenhouse gas emissions from international shipping

Greenhouse gas emissions from international shipping and aviation are currently not regulated. Emissions from these sectors have reached a level of approximately 1,35 billion tonnes CO₂, showing an increase of around 50% since 1997. Projections show continued high growth in these emissions if further measures are not introduced. In an effective global response to climate change, all sectors and sources of greenhouse gas emissions must be addressed. Norway therefore believes that emissions from international shipping and aviation must be included in a future global climate agreement. For international shipping, we believe that a global target for the sector should be set under the Climate Change Convention and that the International Maritime Organization (IMO) should establish the regulatory framework.

A global challenge requires a truly global solution. Shipping is a uniquely global industry which needs global solutions suitable for the characteristics of that industry. Emission reduction strategies for shipping should not risk the distortion of international markets for no environmental benefit.

Potential for emission reductions

There is considerable potential for reducing greenhouse gas emissions from international shipping. The IMO is currently developing technical and operational standards for international shipping. These standards will contribute to more energy efficient and less emission-intensive shipping, but will not be sufficient to ensure the necessary emission reductions. Market-based instruments should be developed. A global emissions

trading system for shipping is the appropriate mechanism to achieve ambitious emission reductions, as it sets an emission cap while ensuring cost-efficiency.

A global cap- and-trade system

The following strategy will be environmentally effective and cost-efficient, give room for support measures, make the best use of international organisations and ensure a level playing field for the shipping industry:

- A global target for emissions from international shipping should be established by COP 15 in Copenhagen.
- The ambition for emission reductions from international shipping should be in line with the ambitions for an overall climate agreement in Copenhagen.
- The international maritime organisation, IMO, should be invited to develop the mechanisms that ensure that the global target is met.
- In the proposed emission trading system, emission allowances should be auctioned to increase cost efficiency.
- Revenues generated by auctioning allowances could be used to finance climate change mitigation, adaptation and related technical assistance in the maritime sector for developing countries.

Using already established practices and institutions for implementing regulations for international shipping, such as the system for flag state enforcement and port state control of vessels, will keep administrative burdens at a minimum. The emission trading system for international shipping should also be linked to other international emission trading systems, to increase global cost efficiency.