

Climate talks eye revenue from shipping

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Cargo ships unload at a port terminal in the Philippines. With nations facing gaping shortfalls meeting pledges on climate change, several governments and activist groups are pushing to put a price on shipping emissions to fund aid to poor countries.

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Commercial ships virtually always run on [fossil fuels](#) and produce nearly three percent of the world's [carbon emissions](#) blamed for [climate change](#) -- twice as much as Australia -- but are unregulated under the [Kyoto Protocol](#).

Shipping has come under renewed focus in UN-led talks on a post-Kyoto framework which are coincidentally being held in Panama, whose flag flies on 20 percent of the world's merchant vessels and is home to the

vital canal.

Germany has spearheaded the idea of setting a price on shipping emissions and devoting proceeds to the new Green Climate Fund, which aims to mobilize \$100 billion a year by 2020 in aid to low-lying islands and other poor nations seen as most vulnerable to climate change.

The money has been in question with top donors Japan, the European Union and the United States all facing internal challenges. Experts say the world is also far off from the UN-enshrined [target](#) of limiting warming to 2.0 degrees Celsius (3.6 degrees Fahrenheit) to prevent climate change's worst consequences.

"We fully recognize that shipping is one of the most efficient forms of transporting goods, but we can't get away from the sheer scale of emissions if we're serious about meeting the 2.0-degree target," said Tim Gore of aid group Oxfam.

The revenue "would be generated independently of any [economic problems](#) that [developed countries](#) might be facing and they would come year-on-year in predictable fashion and can easily be scaled up over time," he said.

How the carbon proposal would work remains under discussion. France has supported the idea and called for a market trading system in maritime carbon emissions rather than an outright tax.

Activists hope that France will push forward the idea when it leads the Group of 20 major economies' summit next month and that the year-end UN climate conference in Durban, South Africa would put it in writing, allowing talks to start to make it a reality.

The World Bank and IMF, in a research paper submitted last month to

Group of 20 finance ministers and obtained by AFP, said that setting a \$25 charge per ton of carbon dioxide from aviation and maritime bunker fuels would generate \$250 billion in 2020 and reduce each sector's emissions by five to 10 percent.

For political reasons, activists have sought to separate the shipping and aviation issues. Airlines, backed by governments including the United States and China, have fiercely fought a European Union proposal to tax air emissions.

Concerns from the shipping sector have been more muted. The International Maritime Organization in July adopted energy efficiency standards to reduce emissions and has been studying the levy idea.

The UN agency said that its move marked the first time that an international industry sector has mandated reductions in greenhouse gases, though environmentalists say that the effort will only make a dent.

But the idea of putting a price on shipping emissions has drawn fire from major emerging economies such as China and India, which are concerned that it would treat vessels from rich and developing nations in the same way.

International maritime rules have traditionally applied to all ships regardless of origin due to fears that vessels could easily skirt more complex regulations.

But successive accords of the UN Framework Convention on Climate Change have recognized that advanced economies bear more historic responsibility for global warming and should do more.

As a solution, Gore of Oxfam proposed that part of the carbon revenue would be directed to developing countries to ensure that their industries

are not put at a disadvantage.

Shaun Goh, a transport ministry official from Singapore, said that any levy needed to consider that some countries -- such as his own -- are more dependent on shipping and also ensure that the industry as a whole does not suffer.

"We don't deny that shipping, as well as probably aviation, has a role to play in climate finance. But the question is what role they would play and to what degree," he said.

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