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DANISH MARITIME AUTHORITY

THE IMPORTANCE OF GLOBAL CLIMATE REGULATION FOR INTERNATIONAL SHIPPING

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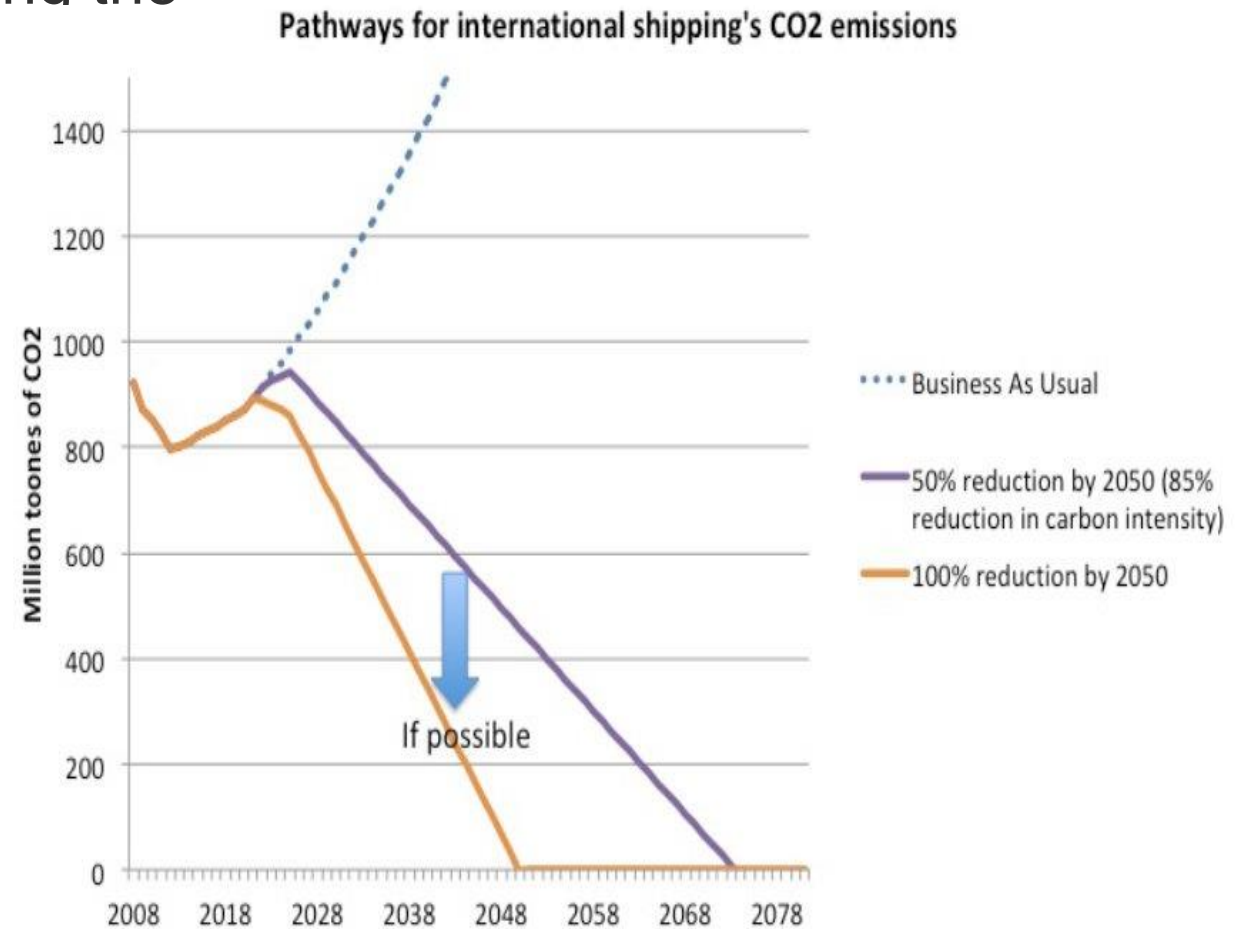
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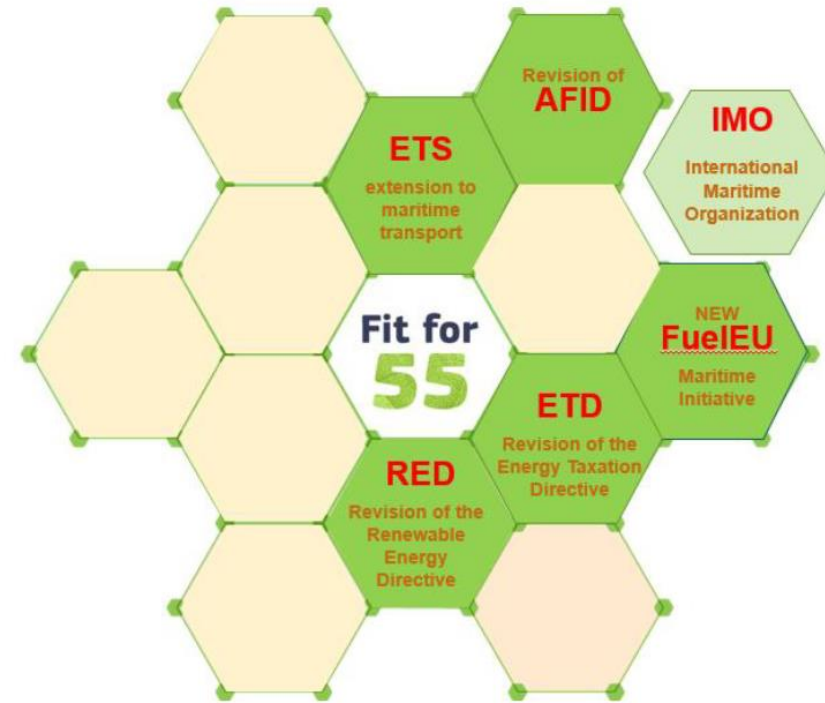
ACTION IS NEEDED NOW

- All sectors must contribute to reaching the Paris Agreement temperature goals
- Shipping would be the 6th largest emitter in the World if a country
- Need for global solutions and regulation



FIT-FOR-55: SHIPPING

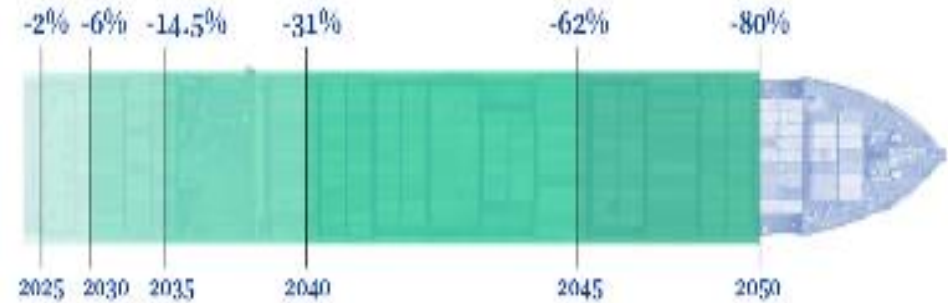
- FuelEU Maritime (FuelEU)
- Inclusion of shipping in the European Emission Trading System (EU ETS)
- Alternative Fuel Infrastructure Regulation (AFIR)
- Renewable Energy Directive (RED2)
- Energy Taxation Directive (EBD/ETD)



FUEL EU MARTIME

- Overall purpose: To ensure that shipping contributes to EU's 2030 and 2050 reduction targets
 - To ensure demand (and supply) of green sustainable fuels by setting requirements for the GHG intensity fuels
 - To promote demand of shore power and other zero-emission technologies i ports

Annual average carbon intensity reduction compared to the average in 2020



→ to connect to onshore power supply for their electrical power needs while moored at the quayside, unless they use another zero-emission technology



EU ETS: INCLUSION OF SHIPPING

- Sets a cap on CO2 emissions and creates a trading system for CO2 emission quotas (Cap-and-Trade)
- As a part of this revision, shipping is now included in EU ETS:
 - Scope: Covers ships above 5000 GT sailing within EU and 50% of journeys, which either starts or ends within the EU, and for ships at berth within the EU
 - Gradual implementation: CO2 quotas for shipping will be implemented gradually. 100% of emissions should be covered in 2027
 - Based on data from the MRV regulation



EU CLIMATE REGULATION VERSUS GLOBAL CLIMATE REGULATION

- EU regulation can work as a clear example of how to set ambitious and concrete climate goals for shipping
- However, important to remember that EU regulation will only cover 15-20% of emissions from international shipping
- Therefore, very important to build bridges to future global regulation

INITIAL IMO GHG STRATEGY (2018)

2030	2050	21st century
Reduction per transport work by 40%	50% reduction in absolute emissions 70% reduction per transport work	Phase out

IPCC: More needs to be done

REVISED GHG STRATEGY (2023)

July (MEPC80) is *the* window of opportunity

Denmark's main priority in the strategy:

- Zero-emission shipping by 2050
- Emissions based on a Well-to-wake approach
- Basket of measures to implement the strategy (technical and economic measures)

What is it stake? What are the arguments against zero emission by 2050?

Post MEPC – negotiations of the required measures to implement the strategy (2023-2025)

LEVY AS A POTENTIAL GAME CHANGER

- A levy on green house gas emissions from shipping in combination with a GHG fuel standard can be a potential “game changer”:
 - I can ensure meeting the targets
 - it can reduce the price gap between fossil fuels and green fuels
 - it can generate resources to contribute to shipping's green transition with a focus on the poorest and most vulnerable developing countries

THANK YOU FOR
YOUR ATTENTION

