UN Global Compact COP28 Input Paper

Shipping

Dubai, UAE, 30 November–12 December 2023

What is COP and what’s the role of non-state actors
The Conference of the Parties for Climate Change is convened under the multilateral process on climate change adopted in 1992, known as the United Nations Framework Convention on Climate Change (UNFCCC). In 2015, the historic adoption of the Paris Agreement set the ambition to limit global warming by 1.5 degrees above pre-industrial levels, review countries’ commitments every five years and provide financing to developing countries to mitigate climate change, strengthen resilience and enhance abilities to adapt to climate impacts. While the UNFCCC COPs are designed for governments to take stock of the climate crisis and decide the best actions to tackle it, they have also become a critical space where non-state actors can showcase their decarbonization pathways, their commitments to net-zero operations, and call for government policies. This is a direct reflection of the widely accepted fact that not one sector or single group alone can tackle the climate crisis - but rather that all stakeholders must take action and seek multilateral, public-private sector cooperation.

This year’s climate COP, the 28th, will be hosted by the government of the United Arab Emirates, marking the halfway point between the historic Paris Agreement and the 2030 mark. The UAE COP28 Presidency will focus on the following: Mitigation, Food Systems, Adaptation, Climate Finance and Loss and Damage. Marking the conclusion of the first Global Stocktake, COP28 will be a pivotal moment for governments to negotiate their country’s response to the stocktake findings, and agree on new pathways to meet the 1.5 degrees goal.

United Nations Global Compact’s role as a special initiative of the United Nations
The United Nations Global Compact (UNGC) is the world’s largest corporate sustainability and corporate social responsibility initiative. While voluntary action is critical, global standards, policies and regulations are required to get to the scale of action necessary to make meaningful progress towards net zero. UNGC’s role at COP is to support and facilitate dialogue between governments and non-state actors, in partnership with UNFCCC.

UNGC Ocean work
The Ocean Stewardship Coalition convenes ocean-related industries, academic institutions, financial actors, governments and UN agencies, to deliver on the 2030 agenda for Sustainable Development - establishing guidances, courses, and standards, informing regulatory institutions and developing finance frameworks.

This paper is part of a series of Input Papers on key ocean topics, and can be shared with all interested stakeholders. For further information about the UN Global Compact Ocean’s work, please reach out to ocean@unglobalcompact.org.
Shipping and Climate Change

Industry state of play

Carrying more than 80% of the global trade, international shipping accounts for 3% of global GHG emissions. In July 2023, governments from around the world came together at the International Maritime Organization (IMO) in London to adopt a Revised GHG Strategy. Prior to the negotiations, the industry had been pushing for clear, ambitious policy frameworks to send a strong market signal for zero-carbon fuels and technologies. The Revised IMO GHG Strategy sets out that the shipping industry is to reach net zero emissions by ‘close to’ 2050, with interim targets (indicative checkpoints) of up to 30% reduction of GHG emissions by 2030, and up to 80% by 2040. The shipping industry will be a large offtaker of alternative fuels to meet those targets.

The measures - including economic (e.g. a carbon levy) and technical - to implement the strategy and shipping’s decarbonization are set to be agreed upon by the end of 2025 and implemented in 2027. In the interim period and pre-diffusion phase - pilot projects, demonstrators and cross-value chain collaborations such as Green Corridors and SBTi will play a vital role as initial enablers - especially to support the target of at least 5% zero emission fuels whilst striving for 10% in the global fleet by 2030. The revised IMO GHG Strategy also envisions a ‘just and equitable transition’ - including the need to upskill and support seafarers and Least Developed Countries and Small Island Developing States.

Breakthroughs and Targets

To achieve the Revised IMO GHG Strategy, the UN Climate Change High-Level Champions (UN HLCC) are connecting the work of governments with various voluntary initiatives. By strengthening the engagement of non-state actors in the COP processes, the aim is to mobilize stronger, faster and more ambitious climate action. For this, the UN HLCC 2030 Breakthroughs are being created as goals that clearly outline, for some of the major sectors of the economy, opportunities for financing, solutions and technology in the transition to a climate-neutral and nature-positive economy. Launched at the 2023 IUCN World Leaders’ Forum by H.E. Razan Al Mubarak, the Ocean Breakthroughs provide transformative pathways covering five key ocean sectors, including marine conservation, where accelerated action and investments could deliver up to 35 percent GHG emissions reduction and contribute to a resilient, nature-positive and net zero future by 2050.

UN HLCC Shipping Breakthrough: “By 2030, zero emission fuels make up 5% of international shipping’s energy demand. 450,000 seafarers need to be retrained and upskilled. At least 30% of global trade needs to move through climate-adapting ports.”

The UN Global Compact Ocean Stewardship Coalition is working to advance a just and equitable transition in the decarbonization of shipping through the Maritime Just Transition Task Force to ensure that shipping’s response to the climate emergency puts seafarers at the heart of the solution, supported by globally established Just Transition principles. It is the first global sectoral task force dedicated to a ‘Just Transition’ and seeks to strengthen and coordinate collaboration between governments, industry, workers, academia – and their representatives – towards a safe, equitable and human-centred approach to the transition towards a decarbonized shipping industry.
Key Policy and Business Recommendations

Policy Recommendations

❖ Emphasize the establishment of a Global GHG pricing mechanism on fossil fuel-derived fuels on a well to wake basis, to support a just and equitable transition, as well as a new GHG Fuel Standard, within the timeline stipulated in the IMO 2023 GHG Strategy. The mechanism's effectiveness should be aligned to meet the specific targets set for 2030 and 2040.
❖ Support the establishment of Sustainable Ocean Plans.
❖ Encourage ports and ships to establish tools and processes for just-in-time arrival. This will allow ships to slow steam, rather than speeding to then wait outside port, thus cutting emissions in the near term.

Business recommendations

❖ Demonstrate near-zero or zero-emission vessels including the implementation of cross-value chain green shipping corridors to achieve the Clydebank Declaration goal of at least 6 by the middle of the decade.
❖ Set Science Based Targets, and set fleet decarbonization strategy and implementation plans to 2030 in line with the 1.5 degrees Paris trajectory. Develop zero-emission bunkering and recharging capabilities; and renewable energy infrastructure.
❖ Undertake just transition planning (e.g. training development) underpinned by social dialogue and stakeholder engagement as part of state and non-state actor maritime decarbonization plans.

Key Documents for Reference:

General Ocean-Climate Leadership Resources
Global Stocktake / UNFCCC
UN HLCC Ocean Breakthroughs
UN Climate Change High-Level Champions
COP 28 UAE Website
IPCC report
UNGC Sustainable Ocean Principles
Ocean-Climate Tracker Report - WRI / HLCs

Sector-Specific Resources for Shipping
2023 IMO Strategy on Reduction of GHG Emissions from Ships
Global Maritime Forum
International Transport Workers' Federation (ITF)
BIMCO

1 Notable examples include the LA/Long Beach container ports, which have successfully implemented such procedures.
International Association of Ports and Harbors (IAPH)
High level Panel for a Sustainable Ocean Economy and Ocean Plans
Clean Energy Marine Hubs
Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping
Lloyds’ Decarbonisation Hub
GCMD Decarbonisation Center Singapore
Global Wind Energy Council (GWEC)

Documents and Guidelines
Science Based Targets for Shipping
Climate Action in Shipping, Progress towards Shipping’s 2030 Breakthrough
International Chamber of Shipping (ICS)