

MARINE ENVIRONMENT PROTECTION
COMMITTEE
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REDUCTION OF GHG EMISSIONS FROM SHIPS

Updates on the GHG-TC Trust Fund

Note by the Secretariat

SUMMARY

Executive summary: This document provides an update on the IMO GHG-TC Trust Fund as established by MEPC 74 (May 2019). In particular it presents an overview of the donations received and activities funded since its establishment. Following the adoption of 2023 IMO GHG Strategy, the Committee is also invited to consider consequential amendments to the terms of reference of the Trust Fund.

*Strategic direction,
if applicable:* 3

Output: 3.2

Action to be taken: Paragraph 15

Related documents: MEPC 74/18/Add.1 and MEPC 75/7

Background

1 The Committee will recall that, following the adoption of the Initial IMO GHG Strategy by MEPC 72 (April 2018) upon the request of MEPC 74 (May 2019) the Secretary-General established in July 2019 the [voluntary multi-donor IMO GHG TC-Trust Fund](#) (the "Trust Fund"), see also document MEPC 75/7.

2 In accordance with the terms of reference agreed by MEPC 74 (MEPC 74/18/Add.1, annex 17), the main purpose of the Trust Fund is to "provide a dedicated source of financial support for technical cooperation and capacity-building activities to support the implementation of the *Initial IMO Strategy on reduction of GHG emissions from ships* (Initial IMO GHG Strategy)".

3 The resources of the Trust Fund include voluntary contributions from IMO Member States, UN agencies, international organizations and other entities having expressed their support for the objectives and aims of the Initial IMO GHG Strategy, and any income arising from investments/balances of the Trust Fund.

4 The Marine Environment Division is the principal implementing office of the Trust Fund and is responsible for coordinating all aspects of the work programme to be financed from the Trust Fund. The Trust Fund is subject to audit by the externally appointed auditors and the internal auditor of the Organization, under article XII of the IMO Financial Regulations

Overview of the financial contributions received by the Trust Fund

5 Since its establishment in 2019, **voluntary financial contributions** (including pledges made up to end of December 2023) have been made to the Trust Fund by the following Member States and one organization for a total of approximately **\$2M** (please note that all amounts are approximate due to currency exchange rounding):

- .1 Canada (\$90,000);
- .2 Cyprus (\$18,000);
- .3 Denmark (\$170,000);
- .4 France (\$270,000);
- .5 Germany (\$405,000);
- .6 Japan (Nippon Foundation) (\$374,000);
- .7 Malaysia (\$135,000);
- .8 Netherlands (Kingdom of the) (\$150,000);
- .9 Norway (\$71,000);
- .10 Singapore (\$100,000);
- .11 United Arab Emirates (\$15,000);
- .12 United Kingdom (\$125,000); and
- .13 ICS (\$106,000).

GHG related activities supported by the Trust Fund

6 Thus far, the IMO GHG TC Trust Fund has primarily funded studies, projects and other activities which have an immediate relevance for the ongoing regulatory discussions in the Committee, in support of informed and evidence-based decision-making.

7 More specifically, since its establishment, the Trust Fund has (co-)funded the:

- .1 *Fourth IMO Greenhouse Gas Study 2020* (MEPC 75/7/15);
- .2 UNCTAD Expert review of the comprehensiveness of the impact assessments submitted to ISWG-GHG 7 (ISWG-GHG 7/2/36);
- .3 Comprehensive impact assessment of the short-term measure (MEPC 76/7/13);

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- .4 Study to improve the availability of Maritime Transport Costs Data in the Pacific (2022);
 - .5 Regional Roundtable on maritime transport costs data (Fiji, February 2023);
 - .6 Study on the readiness and availability of low- and zero-carbon ship technology and marine fuels (MEPC 80/INF.10);
 - .7 Ad-hoc Expert Workshop on comparative analysis of candidate mid-term GHG reduction measures (GHG-EW 3) (MEPC 80/INF.39);
 - .8 UNCTAD Preliminary expert review of the technical and economic elements, and their possible combinations, of the proposals for candidate mid-term GHG reduction measures submitted to ISWG-GHG and MEPC (MEPC 80/INF.39/Add.1);
 - .9 Comprehensive impact assessment of the basket of mid-term measures (MEPC 81/7); and
 - .10 Baseline Training Framework for Seafarers in Decarbonization (TC 73/15).

8 The **unaudited balance** on the Trust Fund by the end of December 2023 is approximately **\$450,000**. Currently foreseen expenditure for the comprehensive impact assessment (Tasks 2 (impacts on the fleet) and 3 (impacts on States) is reflected in this balance. Possible other costs, e.g. for Task 4 (Stakeholder analysis), would have to be deducted from the current balance.

9 Furthermore, it should be noted that approximately \$330,000 of these funds (contributions by France, Germany and the Netherlands (Kingdom of the)) are earmarked for funding activities under the [GreenVoyage 2050 project](#).

10 The Secretariat expresses its appreciation to all contributors to the Trust Fund in supporting the Organization's GHG projects and activities. Member Governments and international organizations are encouraged to consider making additional financial contributions to the Trust Fund for facilitating the Organization's efforts in supporting the global implementation of the 2023 IMO GHG Strategy.

Proposed amendment to the terms of reference of the GHG TC-Trust Fund

11 Following the adoption of the *2023 IMO Strategy on Reduction of GHG Emissions from Ships (2023 IMO GHG Strategy)* by MEPC 80, it is suggested to replace the references to the *Initial IMO Strategy on reduction of GHG emissions from ships* in the terms of reference of the Trust Fund to the more generic "IMO GHG Strategy", thus without distinguishing between the Initial GHG Strategy and the 2023 IMO GHG Strategy.

Proposals for future activities to be funded by the GHG TC-Trust Fund

12 The 2023 IMO GHG Strategy foresees, inter alia, the development of a basket of mid-term GHG reduction measures by 2025 as well as other candidate mid-term GHG reduction measures in the areas of 'Informed policymaking' and 'Supporting global availability and uptake of zero or near-zero GHG emission technologies, fuels and/or energy sources'. The 2023 IMO GHG Strategy furthermore identifies a number of barriers and supportive actions, notably in the area of capacity-building, technical cooperation and R&D.

13 The activities funded by the IMO GHG TC-Trust Fund thus far primarily focused on supporting the Committee's regulatory discussions and informed decision-making, thereby complementing capacity-building activities implemented by the Organization through the Integrated Technical Cooperation Programme (ITCP) and major projects.

14 Further to the adoption of the 2023 IMO GHG Study, the Committee is invited to identify specific areas/activities that could be funded through the GHG TC-Trust Fund, provided sufficient funds will be available, and in particular whether these should have a specific regional and/or thematic focus, or support existing initiatives/projects.

Action requested of the Committee

15 The Committee is invited to consider the information provided in this document, in particular the proposed amendment to the terms of the reference of the Trust Fund and to identify possible future activities to be funded by the Trust Fund, and take action as appropriate.
