

# Bunkers as an innovative source of finance?

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# Presenters & panellists

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- **Presentations**

- **Ambassador Gilberto Arias**, Panama
- **Dr. Sabine Möllenkamp**, German Federal Ministry of Transport, Building and Urban Development

- **Panellists**

- **Baptiste Legay**, DG CLIMA, European Commission
- **Sabine Minninger**, EED Tourism Watch, Germany

- Emission growth rates 2007 to 2020
  - Aviation 5.2%/a
  - Shipping 1.3%/a
- BAU emission increase between 1990 and 2020
  - Aviation 3.7
  - Shipping 1.5
- Global GHG emissions in 2010 48 Gt
- BAU GHG emissions in 2020 53 Gt
- Emissions required in 2010 to stay below +2° 44 Gt
- Emission reduction required until 2010 9 Gt
- Emission reduction in bunker fuel sectors
  - Aviation: -10% below 2005 -0.4 Gt
  - Maritime: -20% below 2005 -0.4 Gt
- Contribution of international transport to global mitigation effort ~10%

# Potential revenues from international transportation

	Low carbon price	Medium carbon price	High carbon price
<i>2020 estimates for maritime</i>	US\$2-US\$6 billion	US\$4-US\$9 billion	US\$8-US\$19 billion
<i>2020 estimates for aviation</i>	US\$1-US\$2 billion	US\$2-US\$3 billion	US\$3-US\$6 billion

## *Overview of assumptions (with calculation for a medium carbon price)*

### Maritime

- Assumes 0.9-1 Gt of emissions, priced at US\$25/t of carbon (captured through auctions or levies), equivalent to between US\$22.5 billion and US\$25 billion;
- Subtracting incidence on developing countries, estimated at 30 per cent, and estimating that of the remainder between 25 and 50 per cent could be used for international climate finance leads to a total estimate of between US\$4 billion and US\$9 billion.

### Aviation

- Assumes total passenger and freight emissions in 2020 of 800 Mt, of which 250 Mt are considered for the revenue estimates in the different price scenarios (due to the exclusion of flights within the European Union and the incidence on developing countries);
- Total revenue pool at a carbon price of US\$25/t on 250 Mt equates to US\$6 billion;
- Assuming that between 25 and 50 per cent of these revenues can be earmarked for climate finance delivers an estimate of between US\$2 billion and US\$3 billion.

# Agenda

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- **Presentations**

- IMO initiatives to reduce GHG emissions and contributing to climate finance

A developing country flag state perspective

**Ambassador Gilberto Arias**

- Possible uses of revenues generated by a Global Maritime Emissions Trading System

**Dr. Sabine Möllenkamp**

- **Panellists**

- **Baptiste Legay**
  - **Sabine Minninger**

- **Questions & comments**

# Guiding questions

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- Revenues from international transport could provide a considerable contribution to global climate finance requirements. Why are many developing countries nevertheless reluctant to agree to policies which would mobilise these sources?
- How should the revenues be allocated among countries or groups of countries?
- For which purposes should the revenues be used?