

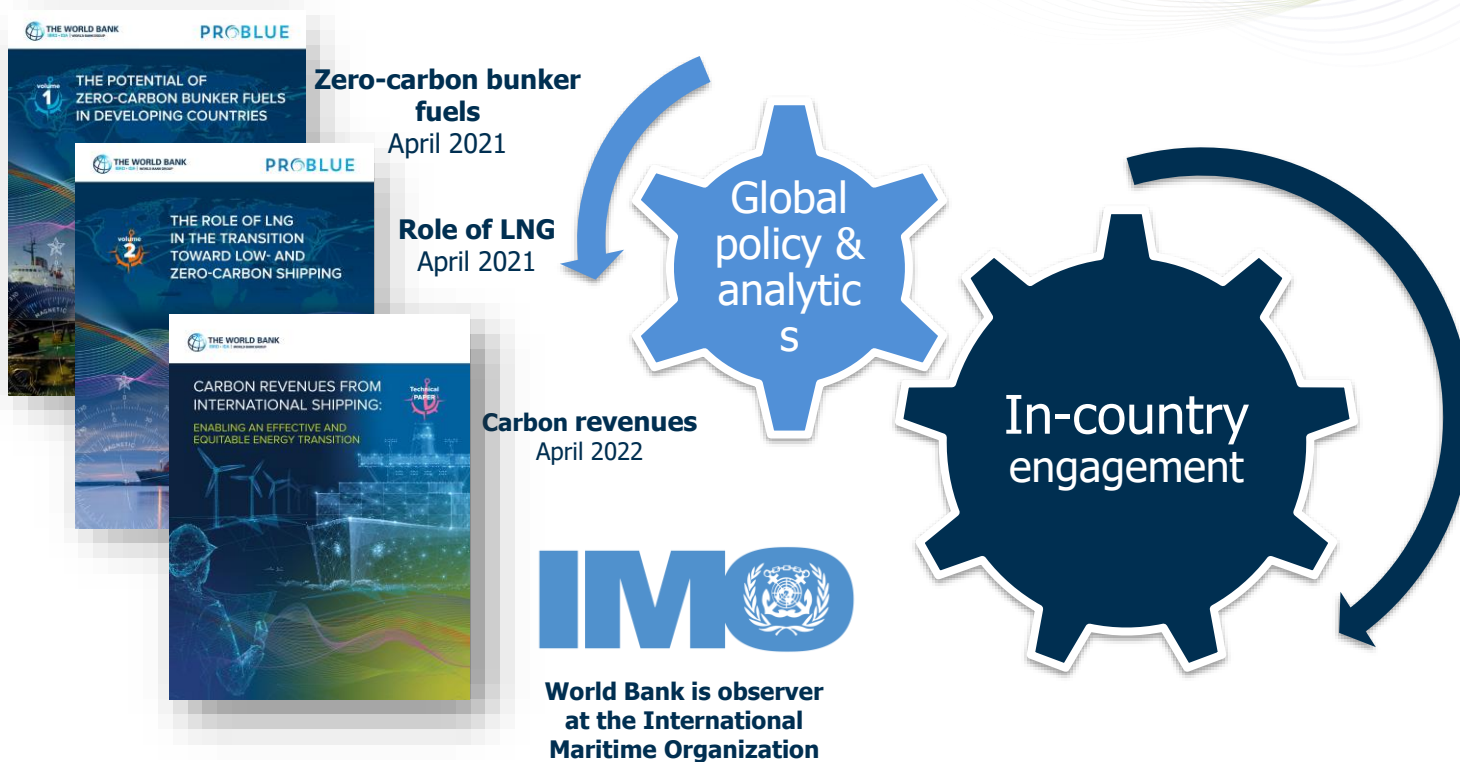
Support for green infrastructure

Yoomin Lee, Transport Specialist

IMO Conference on Low-Carbon Shipping in Africa
Mombasa, Kenya | Friday, 05 May 2023



World Bank programmatic approach



Agenda



1 Development opportunities – major opportunities for countries and ports in decarbonizing shipping

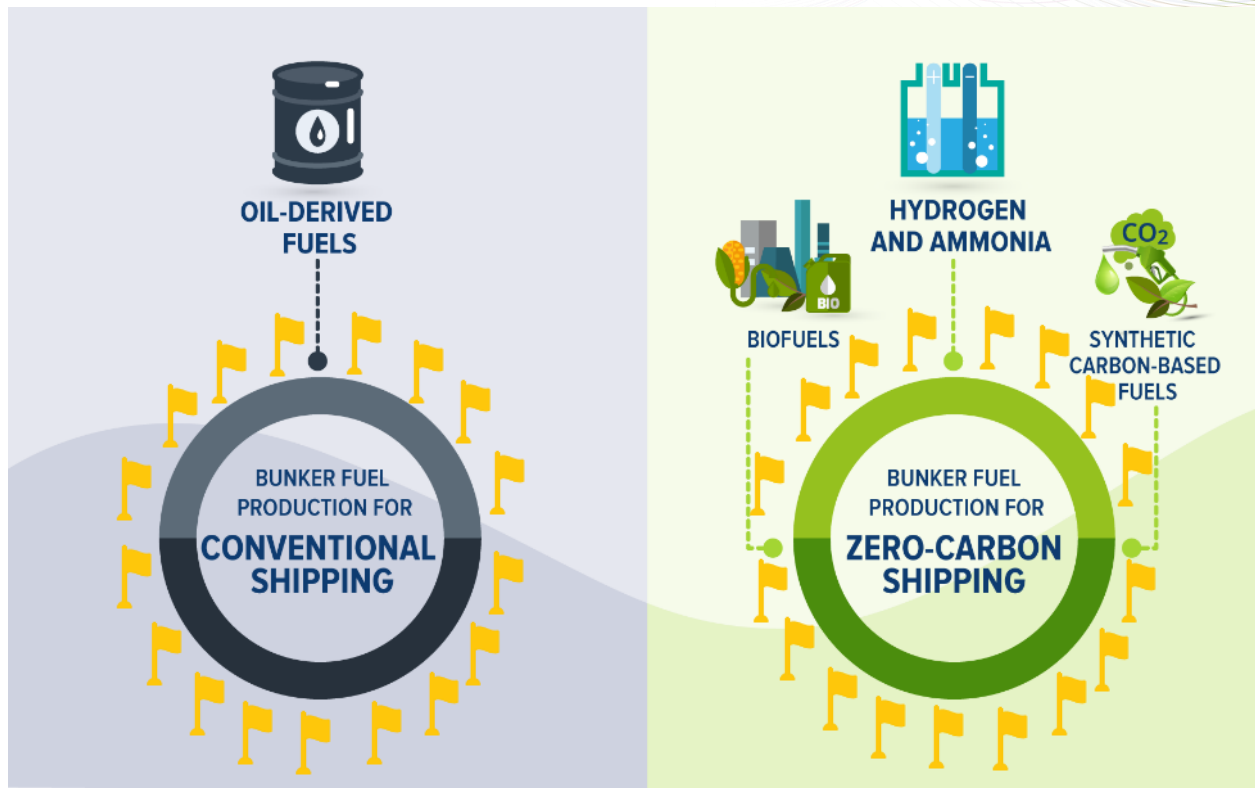


2 Regulatory framework – certainty is key to unlocking investments



3 Carbon revenues from international shipping – enabling an equitable energy transition

Realignment of the fuel market



Country with no or insignificant oil reserves, but large renewable energy resources

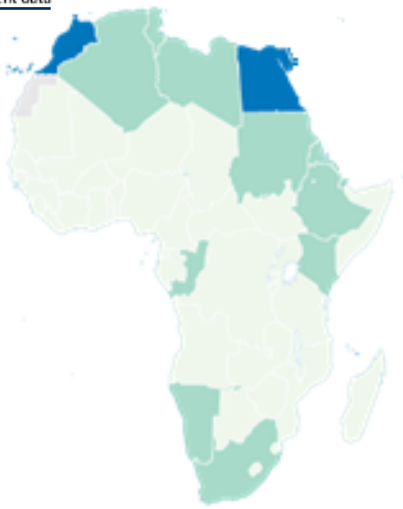
The potential for zero-carbon bunker fuel production

Blue ammonia only

First blue, then green

Green ammonia only

- High potential
- Promising potential
- Limited potential or insufficient data



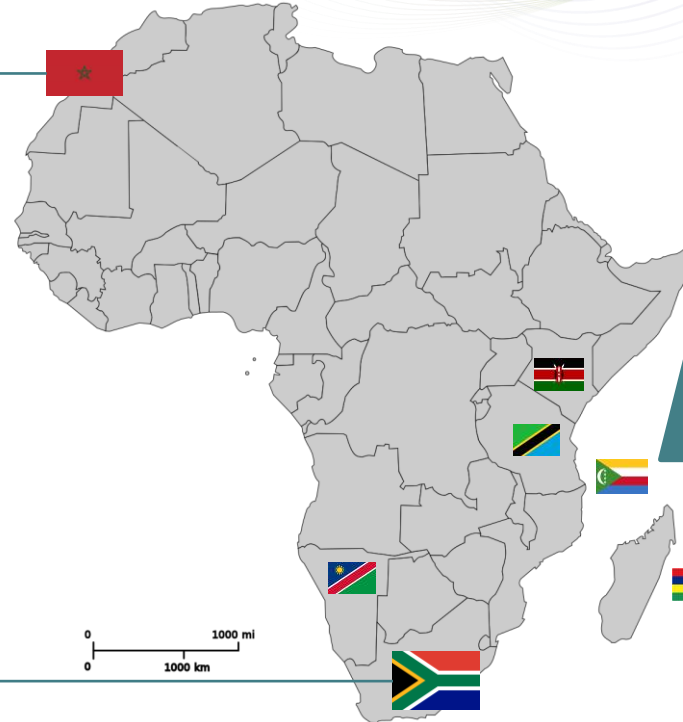
WBG led/collaborating projects in Africa

Morocco

- Prefeasibility studies sites decided in Tenger-Med and Jorf Lasfar, with the third port in the Guelmin region for further considerations.
- In a stage of procuring consultants

South Africa

- Prefeasibility studies in Boegoebaai and Saldanha Bay
- Developing a decarbonizing SA's maritime transport roadmap aligned with the Comprehensive Maritime Transport Policy (CMTP)
- Interim stakeholder consultation workshop on the 3rd of May – government, private sector, and potential off-takers (e.g. iron and steel making)
- The most advanced country engagement project among projects in SA, Morocco, and Colombia



Germany's
International
Climate Initiative

What now?



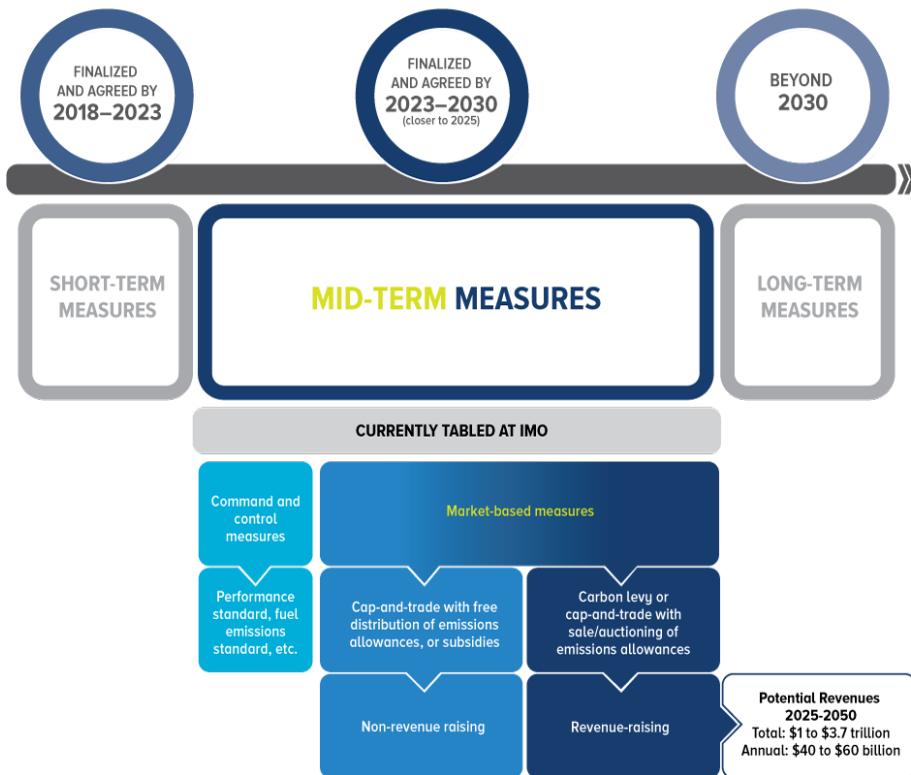
Barriers include uncertainty regarding:

- future demand for and supply of clean fuels
- evolution of policy and regulatory environment.

Climate policy uncertainty is associated with significant decreases in investment.

Uncertainty is a fundamental barrier to increasing climate finance. Political leadership and policy interventions are central to addressing this uncertainty.

Where are we now?



Next steps

'Basket of measures'

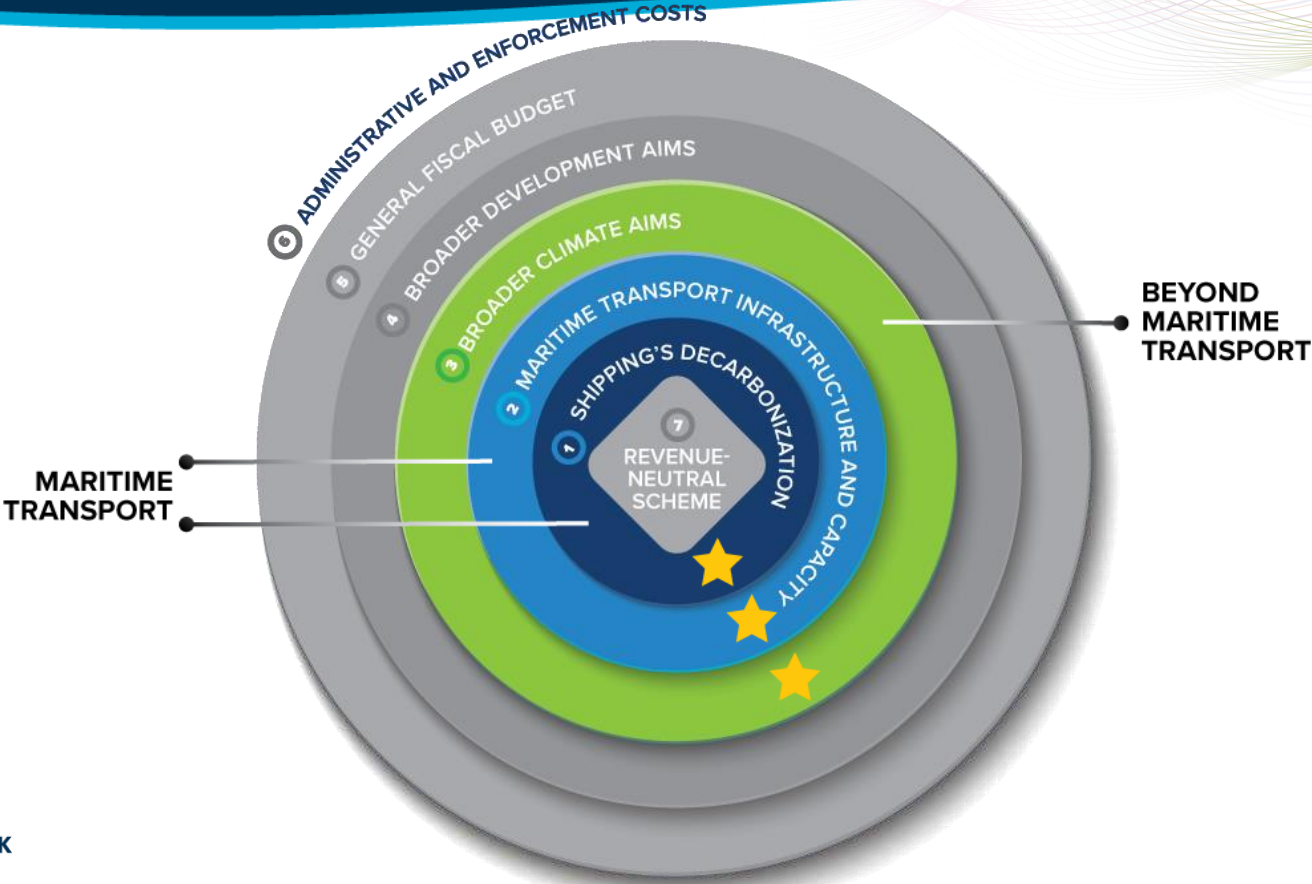


e.g., MBM + emission/fuel standards



Assessed and **selected for further development** between spring 2022- spring 2023 (MEPC 76 workplan)

Potential carbon revenue use options



Most aligned revenue use options

Examples

**MARITIME
TRANSPORT**

Shipping's decarbonization

Fleet upgrades and renewal

Zero-carbon bunker fuels & infrastructure

Maritime transport infrastructure and capacity

Maritime transport infrastructure and services

Capacity enhancement

**BEYOND
MARITIME
TRANSPORT**

Broader climate aims

Climate change mitigation

Climate change adaptation

World Bank ISWG-GHG 14 submission

Should carbon revenues **only** be spent on maritime transport?

- Likely to limit some countries' ability to access revenues.
- Financing broader climate aims could help with equity & climate outcomes.

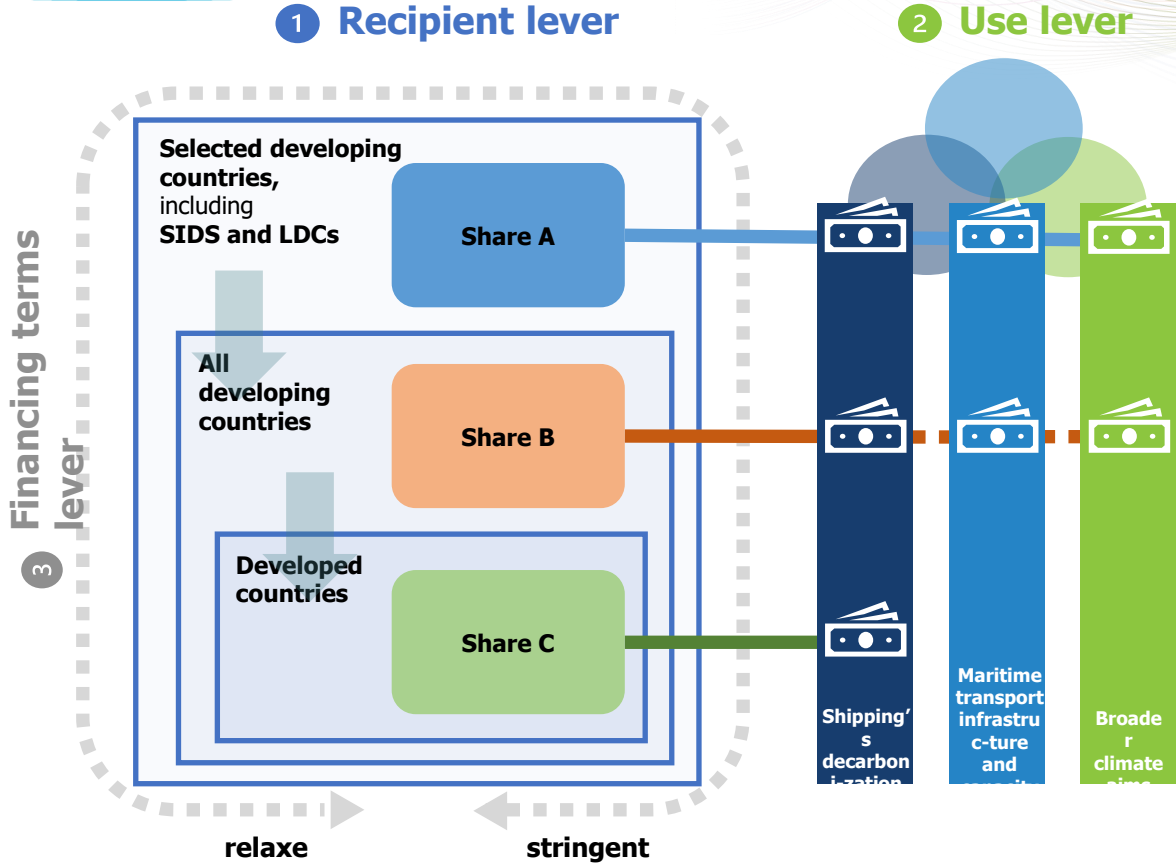
Which country groups could have access to carbon revenues?

- SIDS, LDCs and developing countries as primary recipients
- Developed countries as complementary recipients

What could a possible revenue distribution framework look like?

- Recipient
- Revenue use
- Financing terms

Possible revenue distribution framework



Key implications for policymakers and industry



Development opportunities in shipping's energy transition



Stringent policy at global level needed to drive the transition



Carbon revenues from shipping can enable an equitable transition

Main findings: (1) Significant opportunities - (2) Policies needed - (3) Revenues as enablers

Thank you.

Contact

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