

## COP28 AIIB SESSION

# Financing Maritime Decarbonization

Time: Dec. 8, 2023, 3:30 – 5:00 p.m. (GMT+4)

Venue: Blue Zone, MDB Pavilion

Format: Hybrid

## Session Context

The maritime industry is crucial, handling over 80 percent of global trade. But it also contributes to nearly 3 percent of worldwide greenhouse gas (GHG) emissions, which have increased by 20 percent in the last decade. This sector is at a crossroads, both adding to climate change and having the potential to help fight it, especially by transporting low-carbon fuels.

In a significant step forward, the International Maritime Organization (IMO), a specialized agency of the United Nations dedicated to maritime concerns, adopted the 2023 IMO Strategy on Reduction of GHG Emissions from Ships in July 2023. This strategy targets a reduction in carbon intensity of international shipping by at least 40 percent by 2030, highlighting the urgent need for technological innovations to decarbonize this sector.

Achieving the scale of maritime decarbonization necessary to align with the Paris Agreement targets requires substantial financing. The United Nations Conference on Trade and Development (UNCTAD) estimates an annual need of an additional USD 8 billion to USD28 billion to decarbonize ships by 2050. To develop infrastructure capable of supporting 100 percent carbon-neutral fuels by the same year, the investment requirements are even more formidable, ranging from USD28 billion to USD90 billion annually.

Committed to shared prosperity and sustainable economic growth, the Asian Infrastructure Investment Bank (AIIB) is leading an effort to make the maritime sector greener. This initiative underscores AIIB's dedication to scaling climate finance and fostering collaborative efforts with its global partners to meet this critical challenge.

## Session Objectives

- Discuss the most pressing challenges in decarbonizing the maritime sector.
- Identify required solutions and highlight financing gaps that need to be addressed in the short to medium term to facilitate a transition to low-carbon maritime operations.
- Explore the types of cooperation needed at strategic, tactical, and operational levels to effectively promote decarbonization within the maritime sector.

## Speakers

### Moderator

Stefanie Sohm, Advisor for Transport and Climate, **Kühne Foundation**

### Panelists

- Roel Hoenders, Head of Air Pollution and Energy Efficiency, **International Maritime Organization**
- Kim Fejfer, Managing Partner and CEO, **A.P. Moller Capital**
- Xing Zhang, Head of Climate Strategy and Policy, **AIIB**
- Francisco Avendaño, Global Lead for Climate Finance, **International Finance Corporation**
- Ali Shehab, Global Director of Special Projects & Services, **Maritime DNV**