

# Open letter to drive actions that accelerate the Silk Alliance green corridor cluster in Singapore



## Calls to action for key stakeholders to enable the green transition in shipping

*from the members of the Silk Alliance*

We, the Members of the Silk Alliance, are sharing our collective vision for this Green Corridor cluster initiative as a step towards raising awareness and driving wider support from governments and key stakeholders as we move forward with our implementation plan.

In this letter, we outline our implementation plan for the industry and governing bodies. We also wish to increase transparency and accountability among other green corridor initiatives around the world and ensure learnings are shared effectively to accelerate actions, moving green corridors from the current conceptual stage into operation.

Over the last year, we have brought together key partners across the industry and at a multi-national level. Together we have developed a collective understanding of the prospects of the Silk Alliance green corridor cluster by analysing several fuel and fleet transition pathways. In April 2023, we created a clearer path forward by developing an implementation plan. Now, we are sharing this vision with the wider industry along with our calls to action with a view to operationalise this corridor.

This letter is delivered by the Members of the Silk Alliance, including:

- ING Bank
- Lloyd's Register Maritime Decarbonisation Hub
- Maritime and Port Authority of Singapore
- Methanol Institute
- MPC Container Ships ASA
- MSC Shipmanagement
- NUS Centre for Maritime Studies
- Pacific International Lines
- PSA
- Seatrion Marine and Deepwater Technology
- Singfar
- Wan Hai Lines
- Wärtsilä
- Wilhelmsen Ship Management
- X-press Feeders
- Yang Ming Marine Transport
- Yara Clean Ammonia

## Why?

The Silk Alliance green corridor cluster is focusing on actions to unlock key investments across the Indian and Pacific Oceans as we move into an implementation phase. This also includes driving investments in scalable fuel supply infrastructure to meet the demand aggregation signal of our Members and the wider regional bunkering demand. We are initially focused on a fleet that predominantly bunkers in Singapore and sails across Asia, East Africa, the Middle East, Australia, and the Pacific Islands. This fleet's demand will eventually aggregate further to other regional hubs and deep-sea routes (e.g. Singapore-Rotterdam).

## What?

We are releasing our implementation plan in this letter to drive strategic engagement that will accelerate the operation of the green corridor cluster. This plan includes key milestones and actions to steer and focus our efforts for collective success. It is a living document that the Members will update as the work progresses. The multi-year Silk Alliance programme is looking ahead to practical application exploring the deployment of vessels using near-zero carbon ammonia and methanol fuels and scalable fuel supply infrastructure as well as avenues for bio- and synthetic methane. We envisage that this will materialise before the end of this decade.

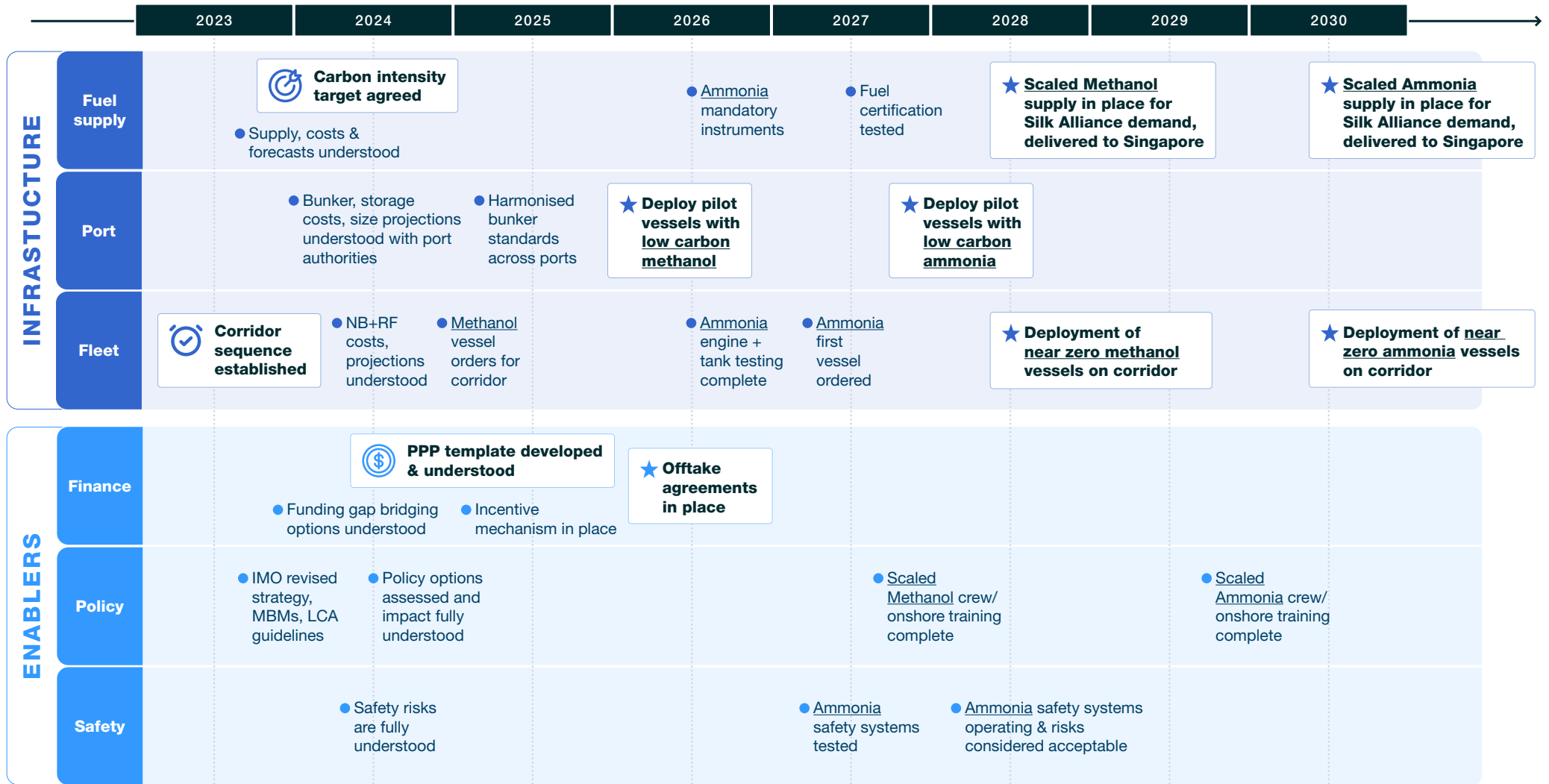
## How?

We will focus on three short-term milestones:

1. **Establishing the sequence of the green corridor cluster** – understanding where the corridor starts and how it scales over time
2. **Determining fuel carbon intensity targets** – identify the fuel pathways to move from an initial pilot to scaling up the corridor with near-zero carbon fuels
3. **Developing a green financing template** – addressing the investment hurdles that will support offtake agreements that are essential for the green corridor to get underway

We are working with the wider industry to support the delivery of other key milestones outlined in our implementation plan.

# Implementation plan for the Silk Alliance green corridor cluster



All the milestones outlined in this implementation plan represent milestones that need to be delivered, led by a combination of actions from the Members and from wider industry efforts, to support the ultimate implementation of this Green Corridor Cluster. This is a live implementation plan that the Members will continue to detail further and refine as the initiative progresses.

# Calls to action for key stakeholders to enable the green transition in shipping from the Members of the Silk Alliance



## To governments

We call on governments to work with fuel producers to progressively make cleaner fuels available and scale their competitive production, including methanol and ammonia, in the region. Governments should also make plans and take measures in line with their Nationally Determined Contributions (NDC) and take into account the goals agreed by the International Maritime Organization (IMO).



## To fuel producers

We call on producers of cleaner fuels to support our implementation timelines and drive transparency on regional fuel availability, cost of production and capacity development.



## To project financiers

We ask for increased engagement from the global investor communities – both public and private sector partners – to help us collectively unlock investments for the green corridor implementation.



## To port authorities

We ask for harmonisation of fuel standards across the region where fleets operate, allowing for a safe energy transition and consistency on entry standards and risk and incident mitigations as and when we operate the corridor.



## To charterers

We invite charterers and cargo owners to work with us to find alignment on our carbon intensity targets and develop the financial mechanisms that shall incentivise fuel offtake agreements, which will subsequently drive region-specific infrastructure investments.



## To yards and OEMs

We ask shipbuilding yards to lay the groundwork and ensure construction supply chains and engine developers are both ready to meet the increased demand for ammonia and methanol newbuild orders by 2026 in support of our implementation timelines, also catering to deliver for a broader range of vessel sizes.



## To the Maritime Just Transition Task Force partners

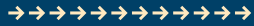
We invite the 'Maritime Just Transition Task Force' – International Labour Organization (ILO), IMO, International Transport Workers' Federation (ITF), International Chamber of Shipping (ICS) and United Nations (UN) Global Compact – to work with our owners and maritime education and training providers to ensure the necessary seafarer training is in place for our Members and their crews to safely handle methanol and ammonia in time for our green corridor pilots. We also ask the ILO, ITF and other relevant partners to replicate this initiative for dock workers and shore-based personnel also tasked with handling methanol and ammonia once our green corridor is in operation.



## To other green corridor initiatives

We ask other green corridor initiatives to increase efforts exploring alignment and collaboration rather than competition – looking at how corridors scale over time – and potentially strengthen the demand signal from the shipping industry and drive those much-needed investments in fuel supply infrastructure.

# This open letter is delivered by the Members of the Silk Alliance green corridor cluster initiative



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