

Outcome of MEPC 82 on Green House Gas Issues

During the 82nd session of IMO's Marine Environment Protection Committee key progress was made in the negotiations towards a set of binding global regulations on the IMO net-zero framework, aimed at achieving the green house gas (GHG) reduction objectives set out in the 2023 Revised IMO Strategy on Reduction of GHG Emissions from Ships.



1 IMO 2023 Revised GHG Strategy

Members will recall that in adopting its 2023 Revised GHG Strategy, IMO had agreed that shipping should fully decarbonise by 2050. Intermediate goals were established for 2030 and 2040 namely, to reduce the total annual GHG emissions from shipping by at least:

- ◆ 20%, striving for 30%, by 2030, compared to 2008; and
- ◆ 70%, striving for 80%, by 2040, compared to 2008.

A further goal is for an uptake of at least 5% of zero or near zero (ZNZ) technologies and fuels to be achieved by 2030 striving for 10%.

Targets have been set on a well to wake basis – i.e. not just taking account of emissions generated when the fuel is used onboard but also taking account emissions generated during the production of the fuel.

The strategy is a framework around which clear and enforceable legislation needs to be developed which MEPC 80 agreed would enter into force in 2027.

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2 Continuing commitments from the IMO Member States

At the start of the discussions on the reduction of GHG emissions from ships at MEPC 82 several delegations:

- 1) stressed that the climate emergency was deepening on a daily basis and that urgent action must be taken to ensure that the Paris Agreement temperature goal of 1.5 °C could be met; and therefore
- 2) reaffirmed their commitment to decarbonising the global shipping industry in a manner that was fair, just and inclusive to all nations, by ensuring that the basket of mid-term measures left no country behind and placed no undue burdens on the most vulnerable countries in line with the polluter pays principle and fully taking into account the external costs of GHG emissions of international shipping.

During the meeting the importance of commercialising low-carbon and zero-carbon ship technologies and marine fuels to accelerate maritime decarbonisation was highlighted. There was also recognition of the challenges of maritime education and training institutions for equipping seafarers with competent knowledge and skill in the decarbonisation of shipping.

The main focus of the meeting was further considering how to add flesh to the bones of the 2023 Revised GHG Strategy which was adopted at MEPC 81.

3 Basket of Mid-Term Measures (MTMs)

In accordance with the revised 2023 GHG Strategy, IMO is working on a so-called 'basket of mid-term measures' comprising two key elements:

- 1) A technical measure which is aimed at regulating the Green House Gas Intensity (GRI) of fuels used onboard; and
- 2) An economic measure which will introduce some form of carbon pricing

Both measures will be incorporated into the MARPOL Convention as regulations. These new regulations will be approved at the next session of IMO's Marine Environment Protection Committee (MEPC 83) in April 2025, adopted at an Extraordinary session of the MEPC in October 2025 and will enter into force in 2027.

Further work on the Net Zero Framework for GHG Reduction from Shipping but at this stage, it lacks detail. All proposals remain on the table and the goal is now to find political compromises which will allow the proposals to be narrowed down.

4 Further Consideration of the Technical Element

On the technical measure, two approaches have been put forward:

- 1) One supported by the EU which is based on a well-to-wake calculation method for GHG intensity; and
- 2) One supported by China et al which is based on a tank-to-wake calculation method for GHG intensity which takes tank-to-wake performance into account with weighting factors applied to the tank-to-wake figures.

Discussions around these approaches are highly political with many red lines being drawn.

5 Flexibility Mechanism

There is also discussion on whether or not to allow flexibility in how shipowners can comply. Under the EU's comparable legislation, FuelEU Maritime, the concepts of pooling, banking and borrowing have been introduced to enable a flexible approach to compliance. However, the flexible approach is not supported by the Pacific and Caribbean Island states so there will need to be behind the scenes negotiations to bring the two camps together on this.



6 Further Consideration of the Economic Measure

On the economic measure, there are also two different approaches up for consideration:

- 1) One is part of the GFI mechanism outlined above with various payment options to a fund being considered in the case of non-compliance.
- 2) The second is the imposition of a carbon price (levy or contribution) on total emissions.

The supporters of the EU approach to the technical measure are pushing for a fixed bunker levy which would reduce the cost differential between convention and alternative fuels. Those supporting China's approach are pushing for an integrated economic instrument and are opposed to a levy which they see as a tax on trade.

On the table from the International Chamber of Shipping (ICS) and co-sponsored by Bahamas and Liberia is what is known as the 'feebate' mechanism whereby a GHG fee is charged to ships per tonne of CO₂ equivalent (CO₂e) emitted, combined with a "feebate" mechanism whereby early adopters of zero/near-zero GHG marine fuels, such as green ammonia, hydrogen and methanol, sustainable biofuels would receive a rebate for the GHG emissions saved.

At this stage the outcome of discussions is impossible to predict.

7 Development of a Draft Legal Text

MEPC 82 managed to produce a [draft legal text](#) (the draft IMO Net-Zero Framework) which integrates inputs and proposals from Member States and international organisations on possible amendments to

be made to the International Convention for the Prevention of Pollution from Ships (MARPOL, Annex VI). This test will be used as the basis for ongoing talks around the proposed “mid-term measures” for GHG reduction. [\[insert a link\]](#). If adopted, these amendments would incorporate the proposed new measures into the treaty, which has 107 Parties representing 97.30% of world merchant shipping tonnage.

8 Establishment of an IMO GHG Intensity Registry and Fund/Facility

Discussion also took place during the session on possible establishment of an IMO GHG Intensity Registry and an IMO fund/facility in order to facilitate the implementation of the technical and economic elements of the GHG reduction measures.



9 Review of the GHG Short-Term Measures

During MEPC 82 work continued on the review of the ‘short-term GHG measures’ currently in force to reduce GHG emissions from ships by enhancing the energy efficiency of the global fleet, namely:

- 1) The Carbon Intensity Indicator (CII); and
- 2) The Ship Energy Efficiency Management Plan (SEEMP).

This was due to be concluded by the end of 2025 but has now been split into two phases:

- 1) Phase 1 which will conclude in 2025; and
- 2) Phase 2 which will commence in 2026.

To date the offshore sector is outside the scope of the CII and members will be aware that IMCA submitted a proposal to MEPC 74 (MEPC 74/6 and MEPC 74/INF.35) for two alternative proxies which are still on the table at IMO. During the discussions, IMCA's IMO representative, Margaret Fitzgerald, made an intervention highlighting the fact, since the offshore sector is outside the scope of the CII at this stage, they will also be outside the scope of the review process. The relevant extract from the report of the Working Group on Air Pollution and Energy Efficiency is shown below.

30 The observer from IMCA stated that in their view, offshore and marine contracting vessels were outside the scope of the CII review as they were outside the scope of the CII at this stage.

Since no objections were made, it is understood that all participants in the Working Group agreed with IMCA's position.

This leaves the way open for IMCA to press ahead with its proposed alternative proxies proposal at MEPC 82 and IMCA's Marine Policy & Regulatory Affairs (MPRA) Committee will be preparing a suitable proposal over the coming weeks.

10 Non-GHG Issues

MEPC 82 also progressed work on non-GHG issues and a further Information Note addressing those will be issued separately.

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