

# IMO Net-Zero Framework

What was decided, what does it mean, and what's next?

Isabelle Rojon, Transport Specialist

Global Transport Unit, World Bank  
Thursday, 8 May 2025



# Shipping is vital for the economic development of countries



**15 out of the 20**  
largest ports

**9 of the top 10**  
ship registries

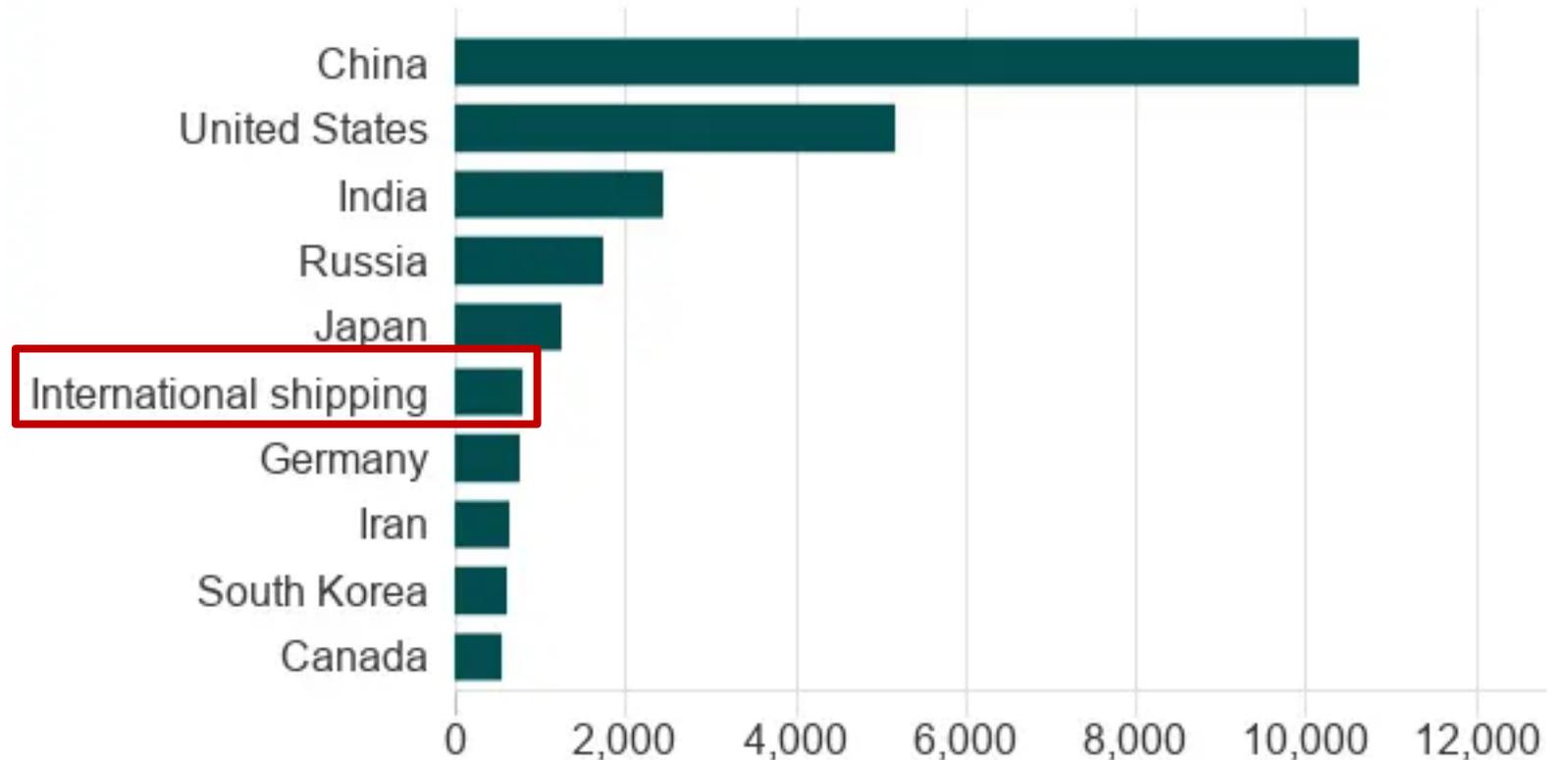
**Crucial lifeline** for  
SIDS

# Ships are a major source of greenhouse gas emissions



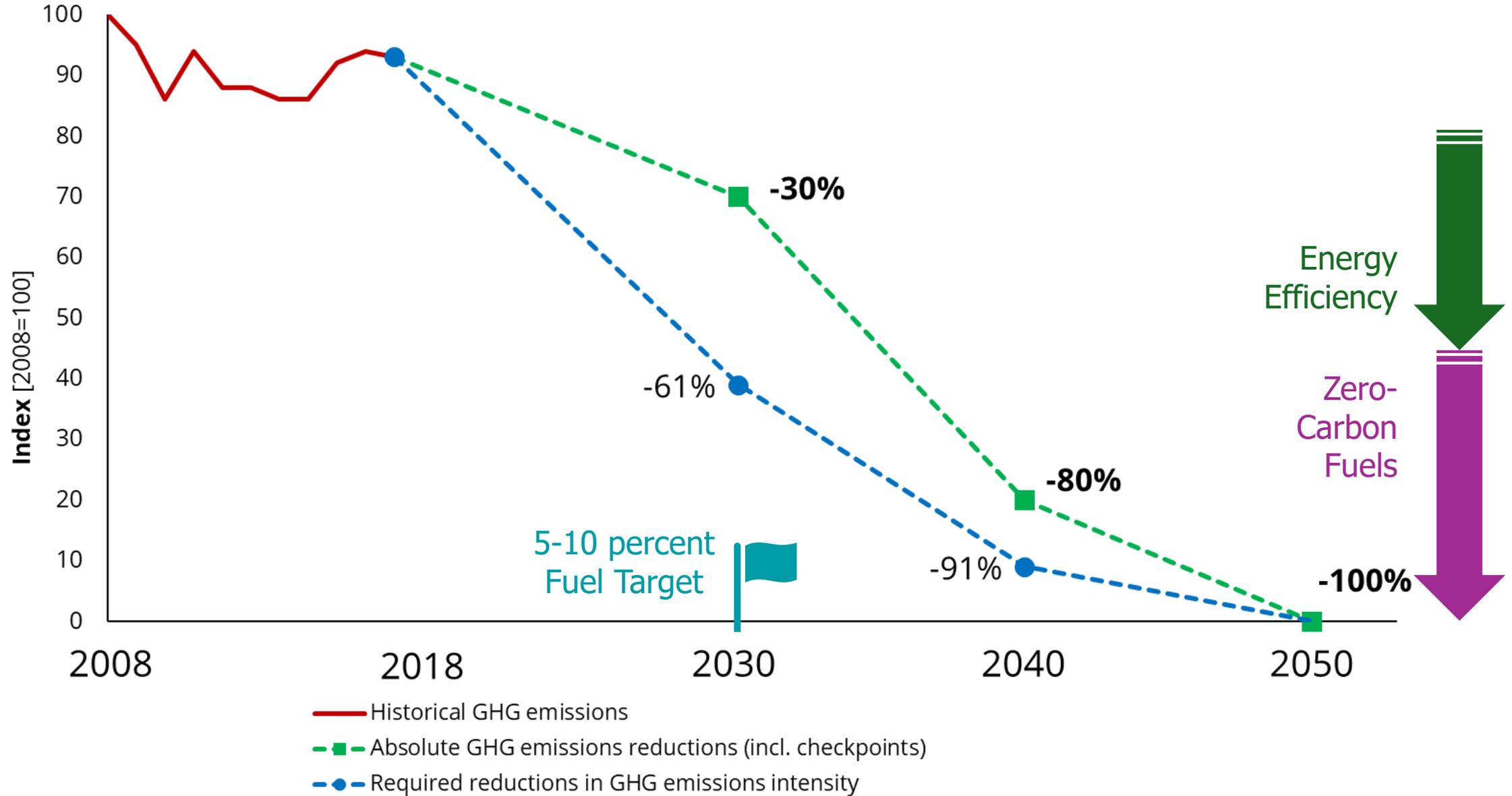
International shipping emissions compared to countries (2015)

■ Carbon dioxide emissions (million tonnes)



Source: BBC (2018) based on International Council for Clean Transportation and Netherlands Environmental Assessment Agency

# GHG reduction targets for international shipping



# NEWS

Home | InDepth | Israel-Gaza war | War in Ukraine | Climate | UK | World | Business | Politics

## Global breakthrough to tackle shipping emissions

UK COMPANIES TECH MARKETS CLIMATE OPINION LEX WORK & CAREERS LIFE & ARTS HTSI

Shipping [+ Add to myFT](#)

## UN passes landmark carbon levy on ships, defying US threats

IMO plans to punish ships that miss decarbonisation targets, despite retaliation warning

Ukraine Defence The Capitals Politics Economy | Newsletters Videos Events Jobs Advocacy Lab Pub

Energy, Environment & Transport

## Countries adopt world's first carbon levy at key shipping talks

Planète | Comprendre le réchauffement climatique 9 indicateurs de l'urgence climatique

PLANÈTE · CLIMAT

## Climat : un accord inédit mais insuffisant pour décarboner le transport maritime

Les Etats membres de l'Organisation maritime internationale ont approuvé pour la première fois un système mondial de tarification du carbone pour les navires de fret. Des mesures trop partielles pour atteindre la neutralité carbone en 2050, selon certains Etats et les ONG.

# Key messages



Multilateral negotiations approved **specific climate regulation** in international shipping.



This regulation strengthens the **business case for investments in green fuels** in the next 10 years.



The IMO Net-Zero Fund will receive **\$10-12 bn annually** for shipping's energy transition.

# What happened?



- ① Fuel standard
- ② GHG emissions pricing
- ③ IMO Net-Zero Fund



# What about the IMO Net-Zero Fund?

- Agreement for IMO SG to establish Fund
- Governing board TBD
- Governing provisions TBD, incl.
  - Eligible fund recipients
  - Financing instruments
  - Operating procedures
  - Cooperating organizations for revenue disbursement
  - Allocations of revenues
- Revenues of US\$ 10-12bn/yr until 2035
- Disbursement for:
  - Rewarding (near-)zero fuels
  - R&D, fuel & tech deployment
  - Infrastructure
  - Maritime workforce training
  - Capacity building
  - National Action Plans
  - Addressing disproportionately negative impacts on States
  - Fund admin & operational costs

# What does the regulation mean in practice?

- **Emissions reductions**

- up to -10% by 2030 (compared to 20-30% IMO reduction target)
- around 10% of emissions are priced until 2035
  - This equals about 100m tCO<sub>2</sub>e per year or Colombia's annual CO<sub>2</sub> emissions

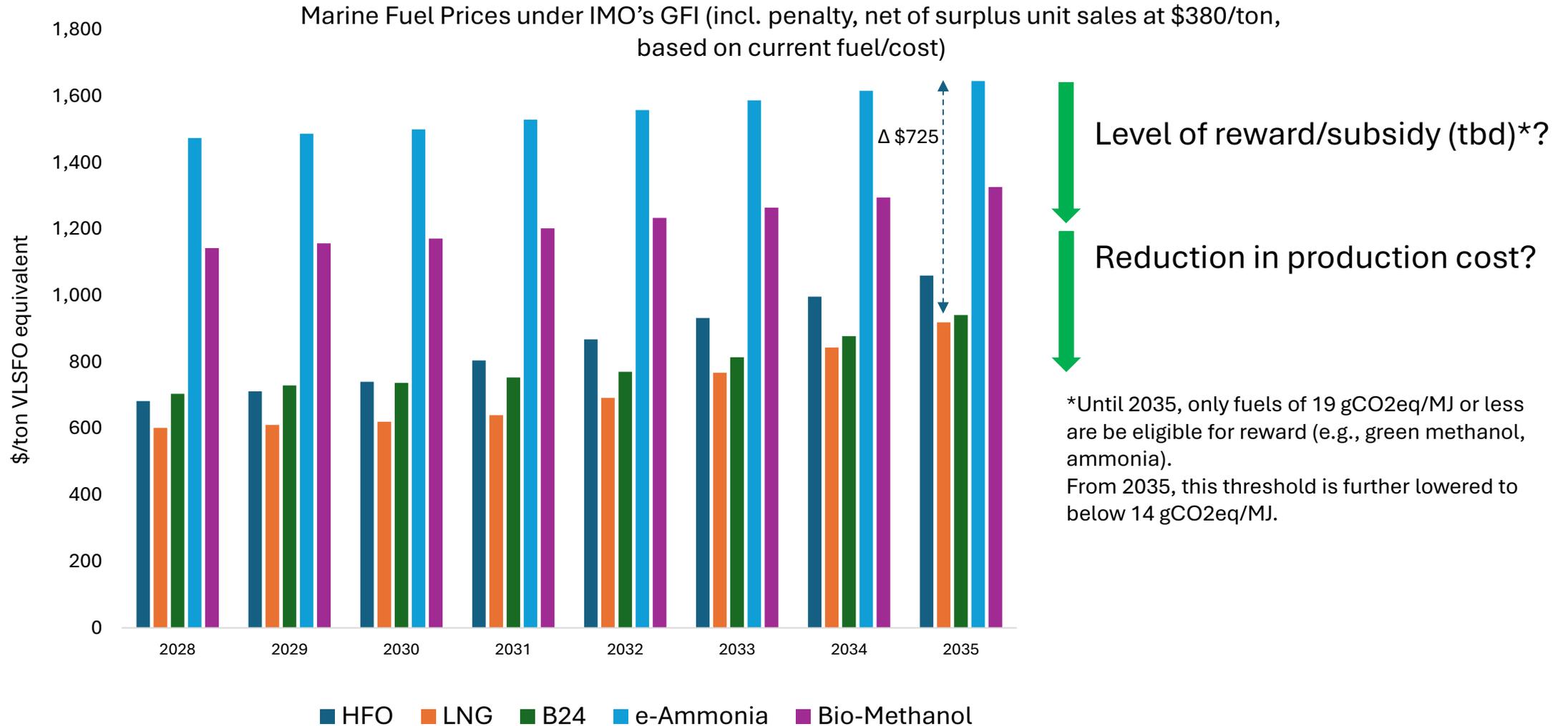
- **Compliance and enforcement**

- Legally binding for ratifying States
- Enforced via Flag States (Panama, Liberia, etc.) and Port States

- **Fuel choices**

- E-fuels will be incentivized over the next 10 years and beyond
- In the short term, biofuels and LNG are likely to remain competitive
- New LNG-powered ships not a competitive choice anymore

# How does the regulation impact fuel prices?



# What happens next?

When?	What?
<b>October 2025</b>	Formal adoption of the measures at MEPC Extraordinary Meeting Development of detailed implementation guidelines at ISWG-GHG 20
<b>Spring 2026</b>	Development of detailed implementation guidelines at ISWG-GHG 21 Approval of detailed implementation guidelines at MEPC 84
<b>01 March 2027</b>	Regulation enters into force (entry into force date)
<b>January 2028</b>	Ships start collecting fuel data (effective date)
<b>January 2029</b>	Ships submit data, verification, and compliance
<b>June 2029</b>	First verification completed
<b>Post June 2029</b>	First revenue available for disbursement



# Thank you!

# Questions?

Isabelle Rojon, Transport Specialist  
[irojon@worldbank.org](mailto:irojon@worldbank.org)  
[www.worldbank.org/shipping](http://www.worldbank.org/shipping)