

IMO Net-Zero Framework

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

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Shipping is vital for the economic development of countries



15 out of the 20
largest ports

9 of the top 10
ship registries

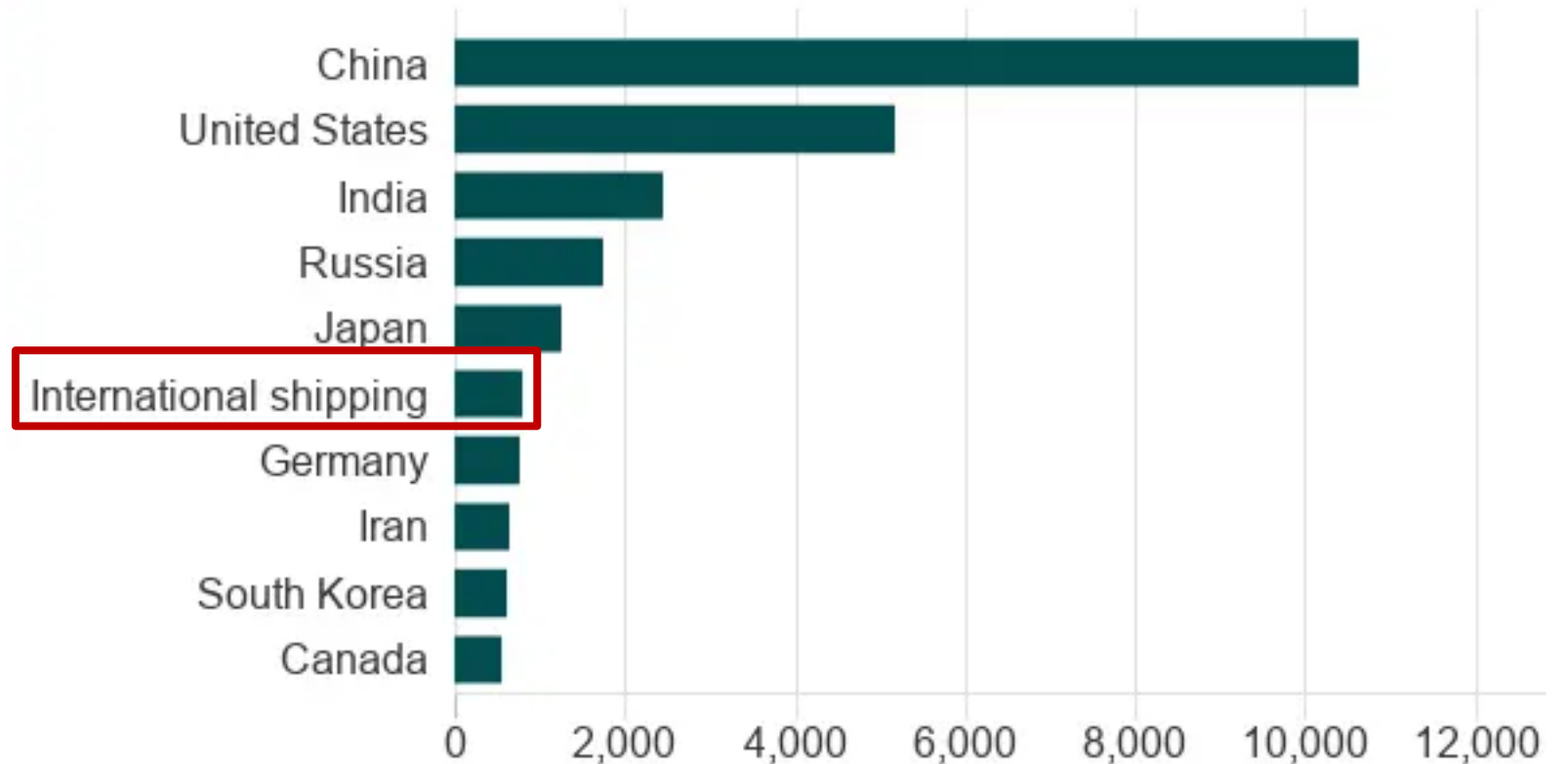
Crucial lifeline for
SIDS

Ships are a major source of greenhouse gas emissions



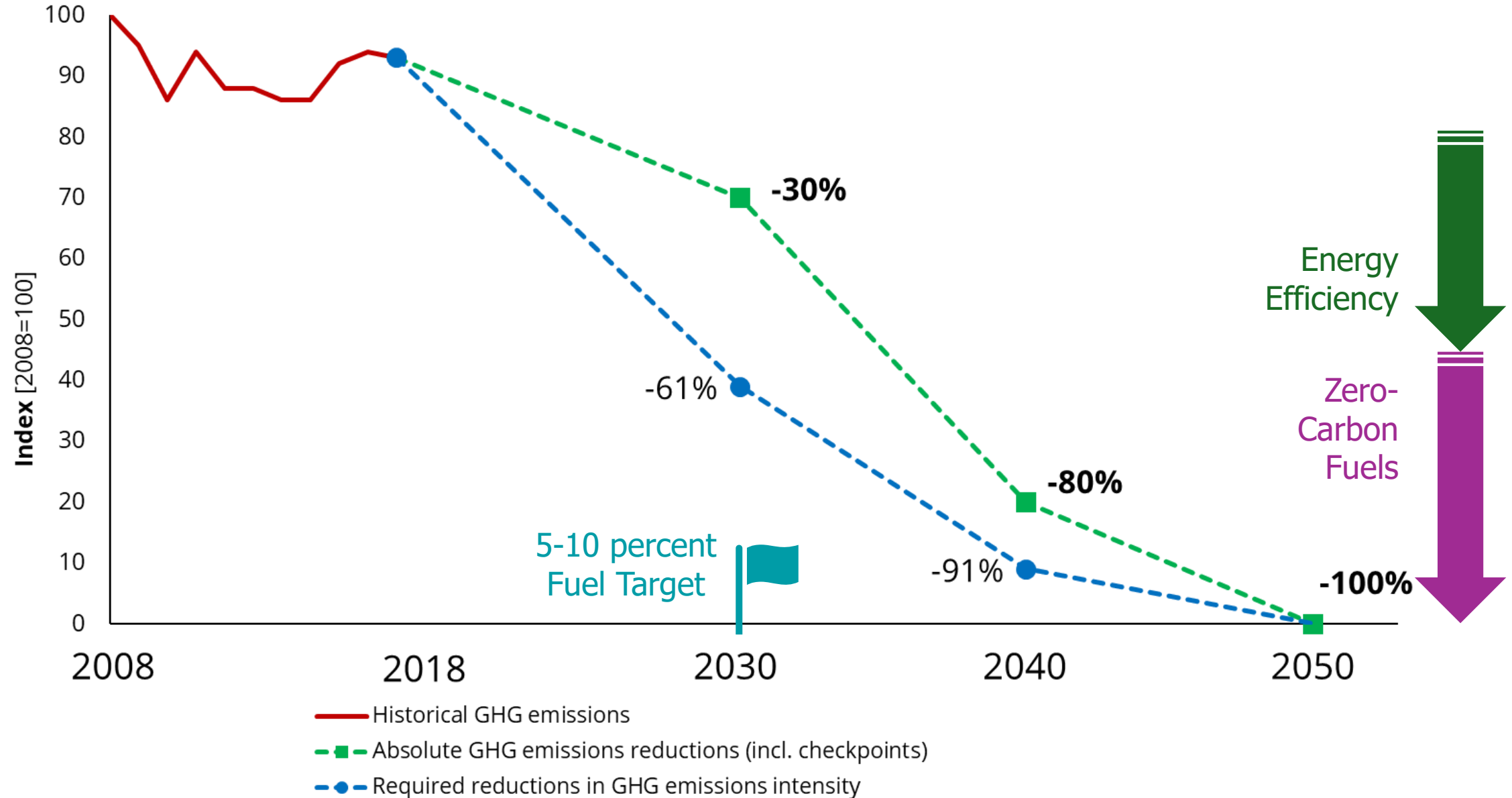
International shipping emissions compared to countries (2015)

■ 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





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Global breakthrough to tackle shipping emissions

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

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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

Le Monde

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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



What happened?



❶ Fuel standard

❷ GHG emissions pricing

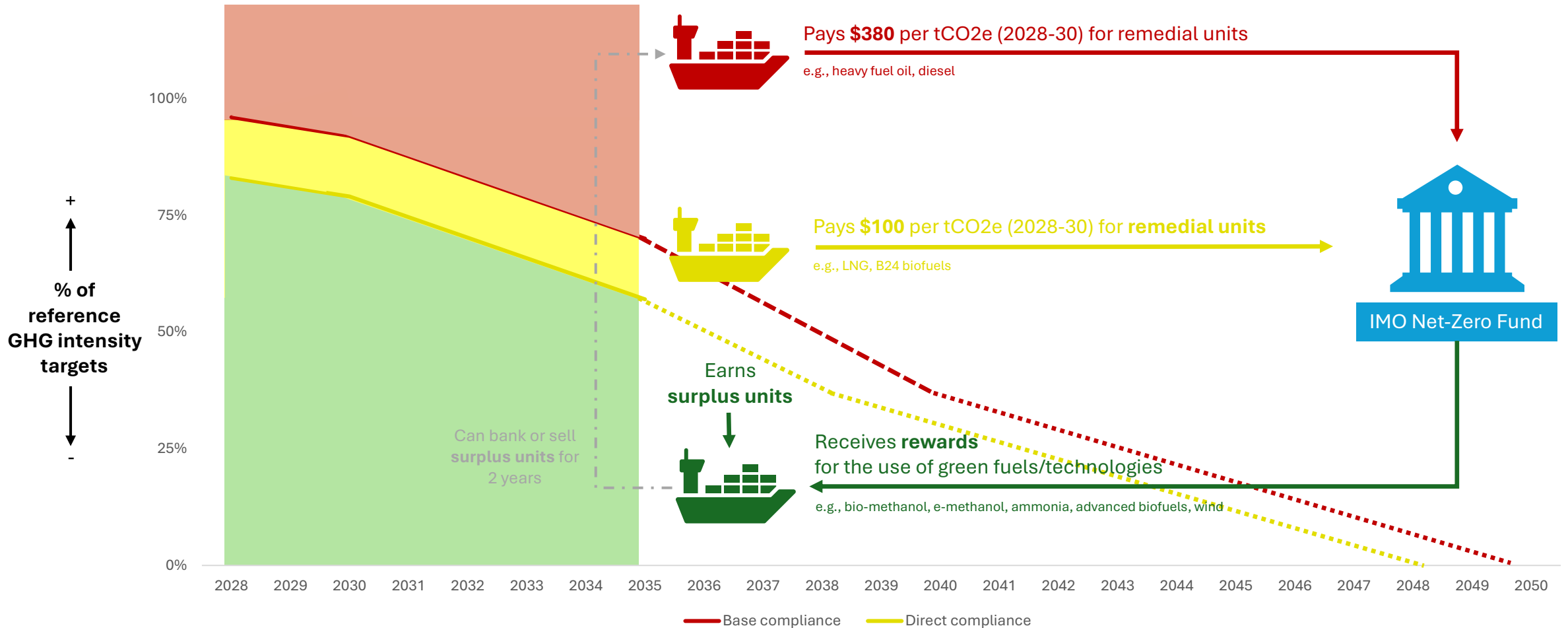
❸ IMO Net-Zero Fund

How does the new IMO regulation work?

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 tCO₂e per year or Colombia's annual CO₂ emissions

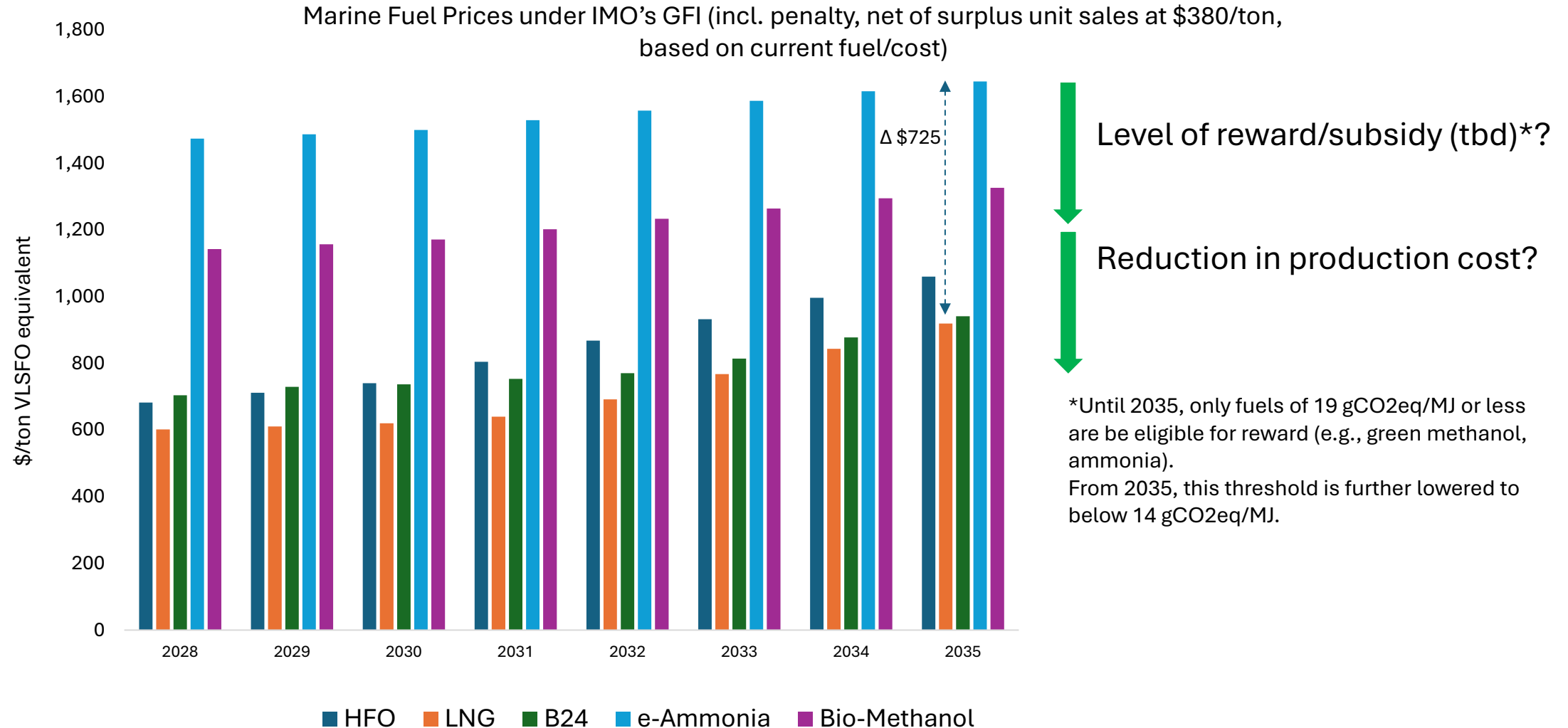
- **Compliance and enforcement**

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

Thank you!

Questions?

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