

The IMO Net-Zero Framework

WTO Trade and Environmental Sustainability Structured Discussions (TESSD) Working Group on Subsidies – 12 May 2025



Mr. Camille Bourgeon
Marine Environment Division, IMO

The International Maritime Organization (IMO)



Created in 1948: **United Nations specialized agency** with mandate to ensure safe, secure and efficient shipping on cleaner oceans



176 Member States, 3 associated members, >150 observer organizations (IGOs and NGOs)



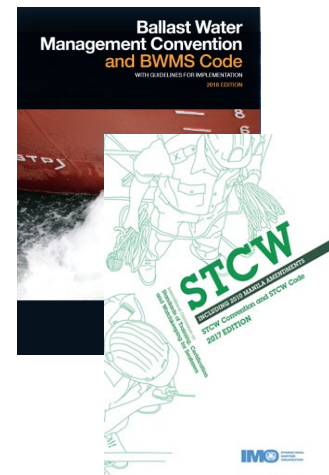
~300 permanent Secretariat staff in London and **7 regional offices** (Côte d'Ivoire, Ghana, Kenya, the Philippines, Trinidad and Tobago and the recent additions Fiji (Pacific) and Egypt (MENA Region). **45 nationalities**



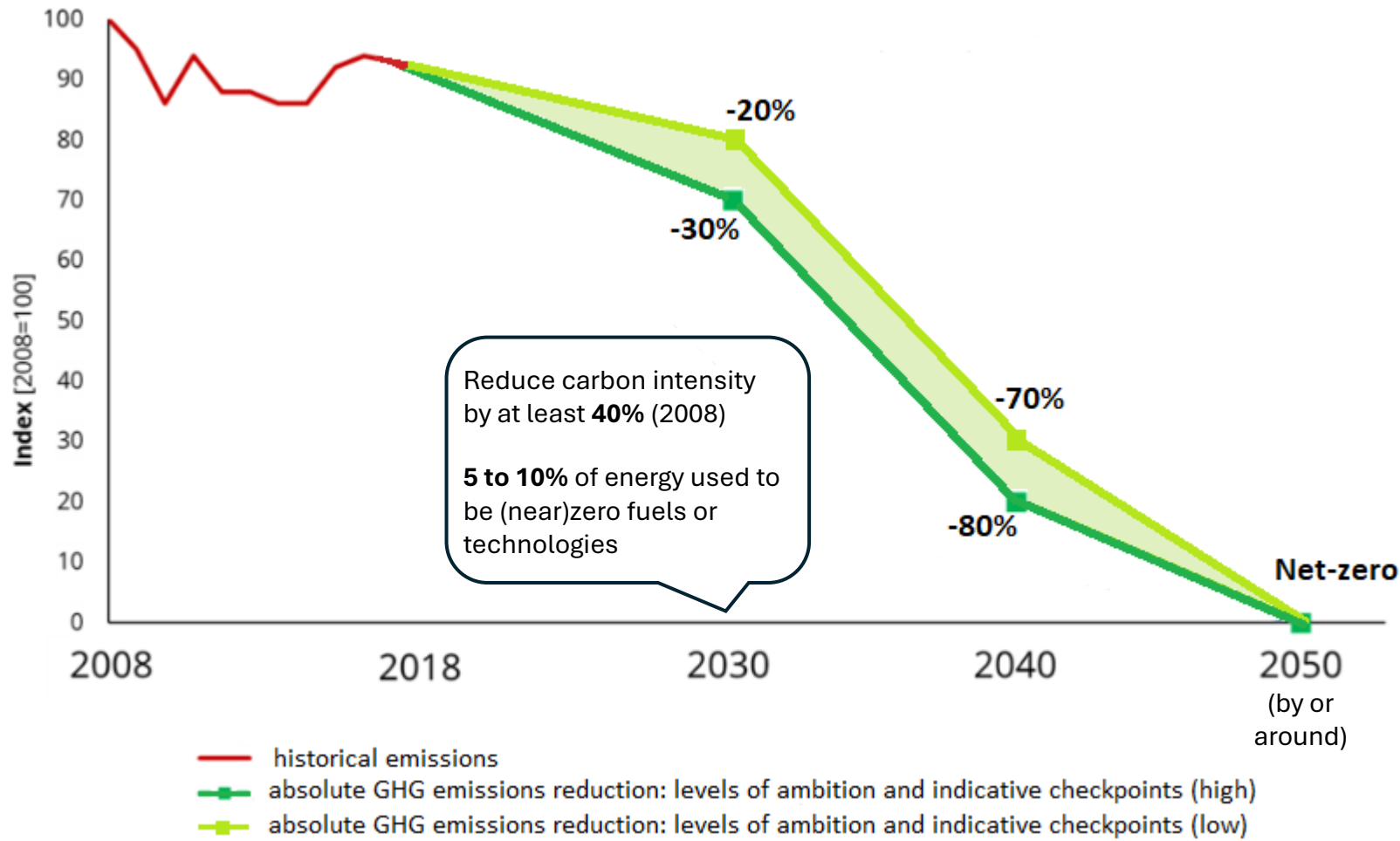
IMO regulates > **50,000 ships** trading worldwide



IMO's instruments contain **binding obligations**, which are **enforced globally** by flag States and port States (incl. SOLAS, MARPOL, BWMC, etc.)



The 2023 IMO GHG reduction Strategy



- International shipping ~3% of global anthropogenic GHG emissions
- The “Paris Agreement” for international shipping
- Sets clear timelines for finalization of **mid-term measures**: to be approved and adopted in 2025, for entry into force in 2027
- Many other elements (guiding principles, National Action plans, safety and human element, etc.) = **a framework for action by IMO and the sector as a whole**
- Review in 2028

Overview of the IMO Net-Zero Framework

- **Key elements** of the IMO Net-Zero Framework:
 - **Two-tiered GFI** reduction trajectories ('base target' and 'direct compliance target')
 - GFI calculated on the basis of '**well-to-wake**' emissions (using LCA Guidelines)
 - Ability to generate/transfer '**surplus units**' (SUs) in case of overcompliance
 - Ability to use surplus units and/or to purchase '**remedial units**' (RUs) in case of compliance deficit
 - Transfers to be registered in the ship's account in the **IMO GFI Registry**
 - Ability to receive '**rewards**' for the use of zero/near-zero fuels, technologies,
 - Framework for **certification of sustainable fuels**
- **Other elements** of the IMO Net-Zero Framework:
 - Establishment of the **IMO Net-Zero Fund** to provide rewards for the use of zero/near-zero fuels technologies and to support Member States with a range of other initiatives supporting the implementation of the IMO net-zero framework and the energy transition of shipping
 - Enhanced focus on assessing possible impacts on **food security**
 - Explicit support to promotion of **technical cooperation** and **transfer of technology**

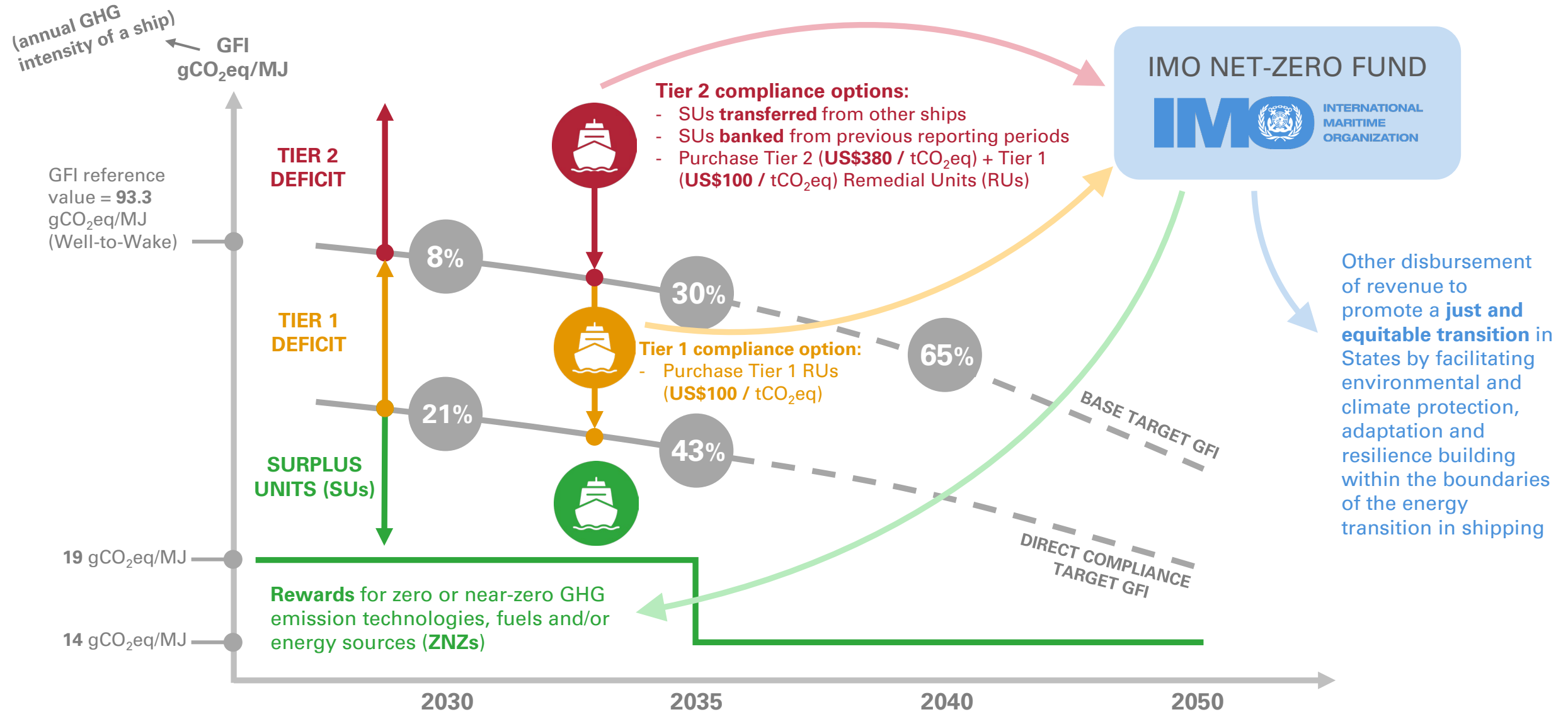
World's first regulatory framework to combine mandatory emissions limits and GHG pricing across an entire industry sector

Mandatory for all ships > 5,000 tons from 2028 (~85% of emissions)

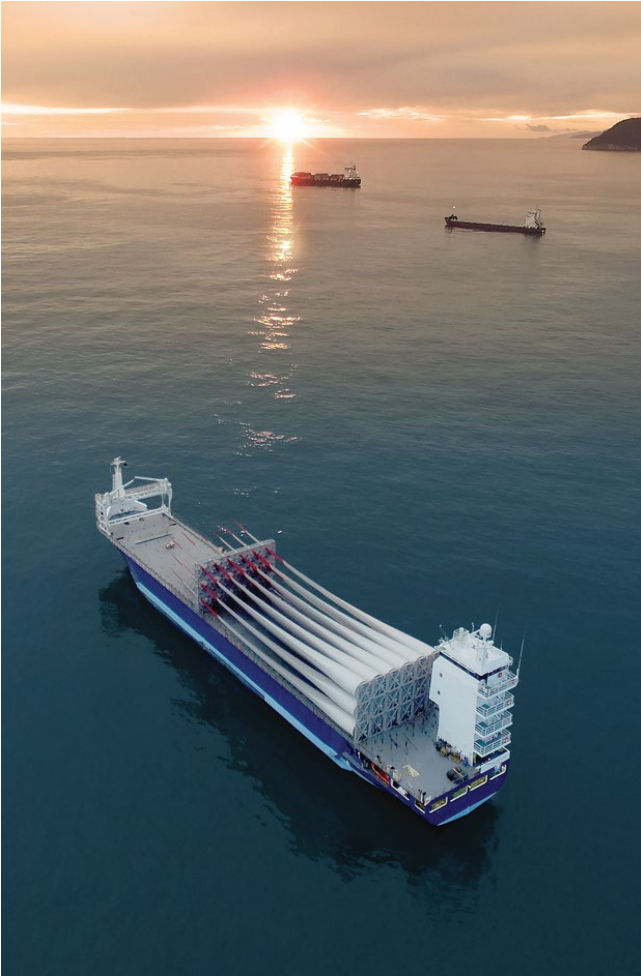
Amendments to be formally adopted in October during **MEPC extraordinary session**

Expected to provide **regulatory certainty** for industry and fuel providers

Illustration of the IMO Net-Zero Framework



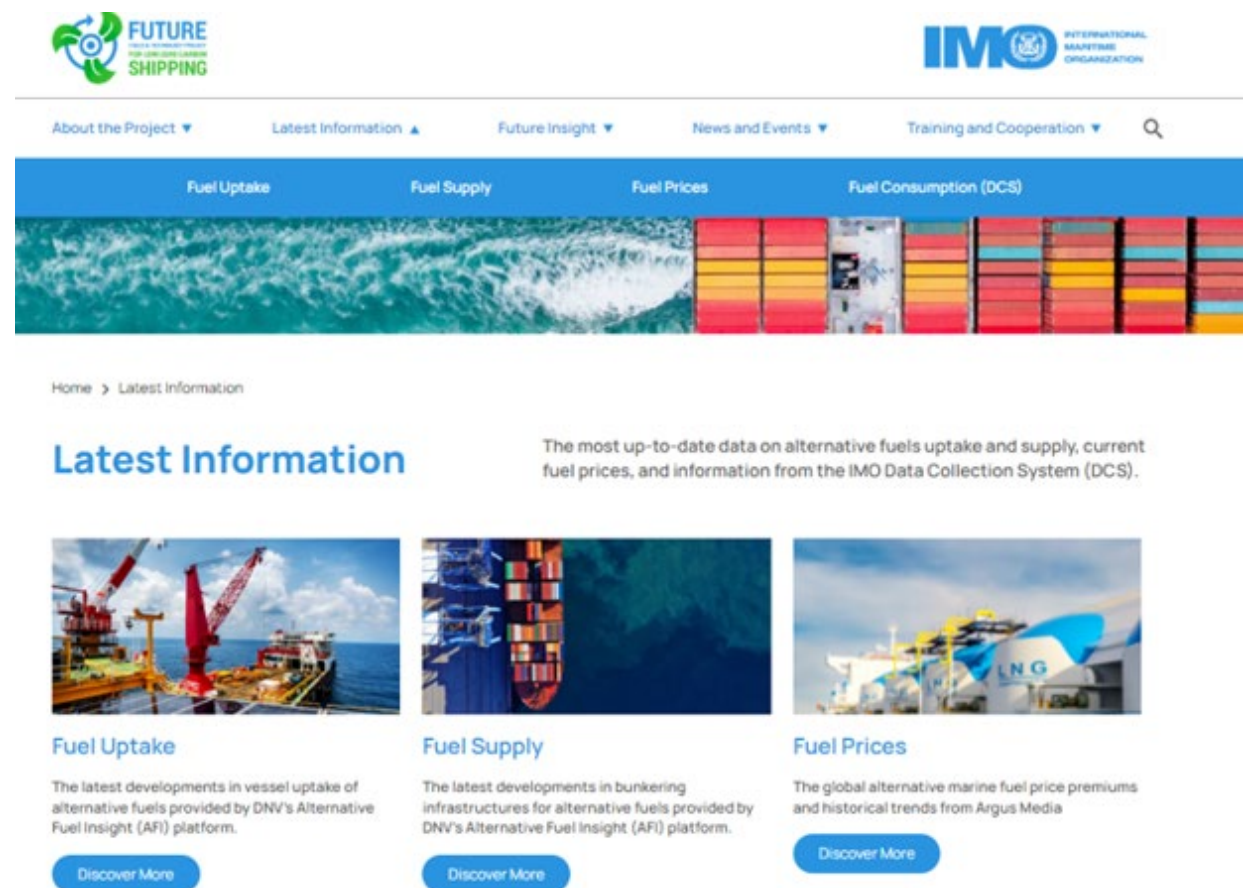
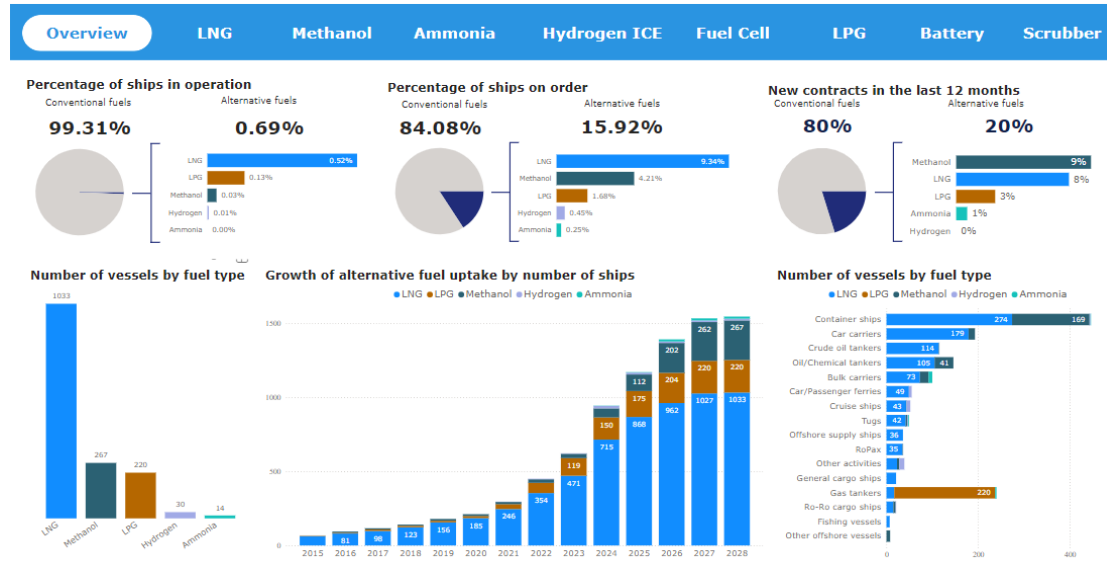
Next steps



- 14-17 October: extraordinary session of MEPC (**MEPC/ES.2**) to formally adopt the Revised 2025 MARPOL Annex VI
 - **Remaining tasks** ahead of implementation of the IMO Net-Zero Framework (non-exhaustive list):
 - IMO Net-Zero Fund governance
 - Complete life cycle assessment of main fuel pathways
 - Determination of reward amount for ZNZs
 - Recognition of fuel certification schemes
 - Establishment and operation of the IMO GFI Registry
 - MEPC/ES.2 will consider a draft **work plan** to prepare for the entry into force of the IMO Net-Zero Framework (March 2027, first reporting period: 2028)
 - 20-24 October: **ISWG-GHG 20**
- ➔ Global cooperation and industry-wide action on climate change is possible

➔ Opportunities at national and local level to contribute to shipping decarbonization, e.g.: role of ports, energy producers, etc.

IMO Future Fuels and Technology project (FFT)



<https://futurefuels.imo.org/>

For information:
futurefuels@imo.org

Thank you.

International Maritime Organization

4 Albert Embankment
London
SE1 7SR
United Kingdom

Tel: +44 (0)20 7735 7611
Fax: +44 (0)20 7587 3210
Email: info@imo.org

IMO website: www.imo.org



[instagram.com/imo_hq/](https://www.instagram.com/imo_hq/)



x.com/IMOHQ



facebook.com/IMOHQ/



youtube.com/imohq



flickr.com/photos/imo-un



uk.linkedin.com/company/international-maritime-organization