THE CARIBBEAN PERSPECTIVE

THE JOURNEY TO MEPC 83 AND BEYOND

APRIL 2025






PREPARED BY

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INTERNATIONAL TRADE LAW, POLICY AND SERVICES

CS CARIBBEAN SHIPPING LANES

UNITED NATIONS FOUNDATION

The Caribbean Perspective:

The Journey to MEPC83 and Beyond

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"We should remain steadfast in our commitment to working together, and in this regard, we would like to thank Caribbean Shipping Lanes for the sound technical support and the commitment they have provided since the beginning of this process, and the resolute way they were able to help us with intelligence, data, and advice that enabled us to navigate the various challenges we encountered along the way…

Judging from the feedback and approach we received from numerous member states, and particularly the EU and the IMO Secretary General, the Caribbean region is now a force to be reckoned with within the halls of the IMO. This is unprecedented at the IMO, and a direct result of the initiative undertaken by the UNF to ensure the Caribbean was able to speak with one voice."

Note by Ambassador Dwight Gardiner
(Permanent Representative of Antigua and Barbuda to the IMO)
at the close of the MEPC 83 meetings at the IMO in London.

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Foreword

The Caribbean's journey to the 83rd meeting of the Marine Environment Protection Committee (MEPC) of the International Maritime Organization (IMO) in April 2025—where the "basket of mid-term measures" under the 2023 IMO Strategy on the Reduction of Greenhouse Gas Emissions from Ships was approved—was short, but historic. Not only did the approval mark a pivotal accomplishment for the IMO[1], but it also represented an unprecedented rise in the Caribbean region's standing.

When the 2023 IMO Strategy on the Reduction of Greenhouse Gas Emissions from Ships was first agreed upon, the region's representation at the IMO was fragmented and largely individual Member State-driven. Since then, the Caribbean has emerged as a more cohesive and influential force, presenting better coordinated and more informed positions. As Ambassador Gardiner of Antigua and Barbuda—who attended the meeting—noted, the region's journey has been one of growth and progress.

While the negotiations at MEPC 83 were among the most technical and complex in recent IMO history—and the final outcome not as ambitious as some might have hoped—the Caribbean nonetheless voted to approve the Chair's text as an essential first step in the decarbonization of its shipping sector. Technical analysis provided by Caribbean Shipping Lanes (CSL) coordination among delegates, and a shared commitment to regional service helped position the Caribbean to engage meaningfully in the process.

This report offers a glimpse into the region's path to MEPC 83—and a look ahead at what comes next. It traces the development of the 2023 IMO Strategy on the Reduction of Greenhouse Gas Emissions from Ships, with particular focus on how Caribbean Member States responded; recounts how the region organized itself leading up to the meeting, including the technical groundwork, coalition-building, and advocacy; assesses the contents of the agreement, with insights from CSL experts on its likely impacts; and offers initial reflections on how the Caribbean might respond—both within and beyond the IMO. Feel free to browse and explore any section, as the report combines rich technical detail with a personal and political narrative.

[1] Arsenio Dominguez, IMO Secretary-General, "The approval of draft amendments to MARPOL Annex VI mandating the IMO net-zero framework represents another significant step in our collective efforts to combat climate change, to modernize shipping and demonstrates that IMO delivers on its commitments," quoted in UN News, *'UN maritime agency takes major step towards cleaner shipping'* (11 April 2025) https://news.un.org/en/story/2025/04/1162176 accessed 17 April 2025

In telling this story, we begin by saluting the Caribbean delegates who represented their countries effectively and tirelessly at the various ISWG-GHG and MEPC meetings, and with whom CSL has built a strong and respectful partnership: Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Jamaica, Saint Lucia, St. Kitts and Nevis, St. Vincent and the Grenadines, and Trinidad and Tobago.

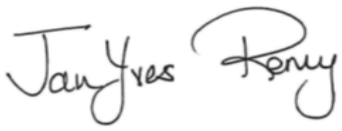
We also extend our thanks to the technical experts from the University of the West Indies, University College London, Kenesjay Green Ltd, Caribbean Maritime University, the Maritime Technology Cooperation Centre (Caribbean), and the Micronesian Center for Sustainable Transport, whose support was instrumental in preparing our delegates for this momentous MEPC.

It has been a privilege for us at CSL to support this regional effort.

Special thanks are also due to the CSL team—Ms. Jaeda Sutherland, Ms. Tianna Blades, Ms. Nafesha Richardson, and Mrs. Desiree Evelyn—for their unwavering commitment and tireless work. We are especially grateful to Ms. Richardson for her skills in formatting, editing and designing the layout of this report.

Finally, we gratefully acknowledge the steadfast support of the United Nations Foundation–in particular, Ms Kerrlene Wills–whose partnership has been vital to the success of the CSL Project thus far.

To learn more about us, visit the **Caribbean Shipping Lanes** website here: https://shridathramphalcentre.com/caribbean-shipping-lanes/.



Dr. Jan Yves Remy

Project Lead/Founder, Caribbean Shipping Lanes (CSL)

List of Key Acronyms

IMO related decisions and literature use a large number of acronyms. The following summary list can be used as a quick reference point for readers.[2]

Abbreviation	Description[3]
Banking	The practice of saving surplus emission reduction credits for future compliance periods. Related to Surplus Units (SUs) and Surplus Compliance Units (SCUs).
CII	Carbon Intensity Indicator: a short-term measure, along with the Energy Efficiency Existing Ship Index, to regulate shipping emissions. Both these measures are legally binding. The CII measures the energy efficiency of ships and provides them a ranking from an A scale; it links the GHG emissions to the amount of cargo carried over the distance travelled.
DNI	Disproportionate Negative Impact: Refers to adverse economic, social, or environmental effects on certain countries or groups due to climate regulations. Compensation or special provision may be made, particularly for vulnerable nations. Related to the Levy/Emissions Pricing Mechanism.
Economic Measures	Market-based measures (MBMs) adopted under *MARPOL* Annex VI, including levies, surcharges, and other mechanisms for revenue generation.
e-fuels	Fuels that are produced from renewable electricity
EEXI	Energy Efficiency Existing Ship Index: one of two short-term measures to regulate shipping emissions (the other being the Carbon Intensity Indicator (CII)). Both these measures are legally binding. The EEXI relates to the technical design of the ship and looks at the ship's overall energy efficiency, including the vessel's engine and auxiliary engine power, transport capacity, and given reference speed.

[2]Adapted from Caribbean Shipping Lanes (2025), Legal Guide for the Caribbean on the IMO Greenhouse Gas (GHG) Strategy - Prepared by Professor David S Berry (Professor of International Law and Regional Integration Law, University of the West Indies; Legal Consultant, Caribbean Shipping Lanes)

[3] The descriptions are taken from a range of sources, including Caribbean Shipping Lanes, "Guide For CARICOM IMO Negotiators For ISWG 17 and MEPC 82 Meetings (September 23 - October 4, 2O24)" produced by the Shridath Ramphal Centre, UWI Cave Hill, UCL Bartlett Energy Institute, UN Foundation and Belize Port Authority (2024).

Abbreviation	Description[3]
Feebate	A system that imposes fees on higher-emitting vessels and provides rebates or financial rewards to vessels that outperform the required emissions standards. Related to Levy/Emissions Pricing Mechanism.
Fund	International Maritime Organization Greenhouse Gas (GHG) Strategy Implementation Fund
GFI	Greenhouse Gas Fuel Intensity: A measure of the amount of greenhouse gas emissions produced per unit of energy consumed by a ship. Related to Greenhouse Gas Fuel Standard (GFS).
GFI Registry	GHG fuel intensity registry
GFS	GHG Fuel Standard: A regulatory measure that limits the amount of GHG emitted per unit of fuel energy used by ships, aimed at reducing the carbon intensity of maritime fuels. Related to the Absolute Fuel Standard and GFI.
GHG	greenhouse gas
GT	Gross Tonnage: A measure of a ship's overall internal volume, used to classify ship size for regulatory purposes
IMO	International Maritime Organization
ISWG	Intersessional Working Group
LCA guidelines	Life Cyle Assessment (LCA) Guidelines – IMO guidelines on lifecycle GHG intensity of marine fuels
LDC	least developed country
Levy/ Emissions Pricing Mechanism	A system that applies a fee or levy based on the amount of GHGs emitted by a ship, designed to make polluters pay and encourage the reduction of emissions. Related to Feebate and Marginal GHG Price.
Marginal GHG Price	The cost incurred for reducing or offsetting additional GHG emissions beyond a certain baseline. Related to Levy/Emissions Pricing Mechanism
MARPOL	International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto, and as amended

Abbreviation	Description[3]
***MARPOL* Annex VI**	Annex VI of *MARPOL*, titled "Regulations for the Prevention of Air Pollution from Ships," including its amendments and associated guidelines
Member State	Member of the IMO
MEPC	Marine Environment Protection Committee
MTM	Mid-term measure: mid-term measures to regulated shipping emissions include economic measures (GHG pricing mechanism) and technical measures (fuel standard)
Pooling	A compliance mechanism that allows ships that outperform GHG reduction standards to share surplus credits with ships that underperform. Related to SUs/SCUs
RD&D	research, development, and deployment
RUs	Remedial Units: Credits or offsets purchased by ships that fail to meet emission standards, allowing them to compensate for excess emissions and maintain compliance.
Secretary General	Secretary General of the IMO
SIDS	Small Island Developing States
SSS	Short sea shipping
STM	Short term measure: short-term measures to regulate shipping emissions, including the Energy Efficiency Existing Ship Index (EEXI) and the Carbon Intensity Indicator (CII).
SUs	Surplus Units: Emission credits earned by ships that outperform required GHG standards. These units can be sold or saved for future compliance. Related to Banking and Pooling.
tCO_2e	Tonne of CO_2 equivalent: A unit of measurement that expresses the amount of other GHGs in terms of the equivalent amount of CO_2, based on their global warming potential. Related to GFI (Greenhouse Gas Fuel Intensity).
TTW	Tank-to-Wake: Refers to emissions produced during the operation of a ship, from the combustion of fuel on board. Solely includes emissions from on-board fuel combustion; excludes upstream

Abbreviation	Description[3]
	emissions from the fuel production cycle. Part of the Lifecycle Scope.
WTW	Well-to-Wake: Refers to the full lifecycle of GHG emissions, from fuel production to consumption. In other words, WTW constitutes the sum of upstream (well-to-tank) and downstream (tank-to-wake) emissions. Includes emissions from the full production cycle and use of fuels. Part of the Lifecycle Scope.
ZNZ Emissions	Zero/Near-Zero Emissions: Fuels or technologies that produce little to no GHG emissions throughout their lifecycle (Well-to-Wake). Incentivized under various regulatory frameworks to promote greener shipping technologies.

1. A Rising Tide: The Caribbean at the IMO GHG Negotiations

a. From Vision to Reality

The 2023 IMO Strategy on Reduction of GHG Emissions from Ships (2023 IMO GHG Strategy), adopted in July 2023, marked a major turning point for global shipping. It lays out a net-zero target by or around 2050, with checkpoints in 2030 and 2040—bringing international shipping in line with the Paris Agreement. This was a significant leap from the 2018 IMO GHG Strategy, which had aimed for only a 50% emissions cut by 2050.

The 2023 IMO GHG Strategy mandates the adoption of binding "mid-term measures" (MTM) by 2025, which includes both technical measures (such as a global fuel standard) and economic measures (like a GHG pricing mechanism or levy) to achieve its objectives. Crucially, the Strategy requires that the measures must ensure a just and equitable transition for developing countries, particularly Small Island Developing States (SIDS) and Least Developed Countries (LDCs). These measures were set to be approved at the 83rd meeting of the MEPC of the IMO in April 2025, with final adoption planned at a specially convened MEPC in October 2025.

The 2023 IMO Strategy on Reduction of GHG Emissions from Ships includes four levels of ambition, while ensuring a just and equitable transition that leaves no country or seafarer behind:

1. **Energy Efficiency**: Improve the energy efficiency of new ships to reduce carbon intensity.
2. **CO2 Emissions Reduction**: Achieve a minimum 40% reduction in CO_2 emissions per transport work across international shipping by 2030.
3. **Adoption of GHG Technologies**: Increase the uptake of zero or near-zero GHG emission technologies to at least 5%, aiming for 10% by 2030.
4. **Net-Zero Emissions**: Peak GHG emissions from international shipping as soon as possible and reach net-zero GHG emissions by around 2050.

Indicative Checkpoints:

- Reduce annual GHG emissions from international shipping by at least 20% (aiming for 30%) by 2030, compared to 2008 levels.
- Reduce annual GHG emissions by at least 70% (aiming for 80%) by 2040, compared to 2008 levels.

To achieve these goals, the Strategy proposes a basket of measures that includes:

- **Technical element**: A goal-based marine fuel standard for phased reductions in GHG intensity.
- **Economic element**: A GHG pricing mechanism on emissions from ships.

While the approval of the 2023 IMO GHG Strategy was celebrated globally as a win for the climate, the Caribbean was largely absent from the negotiating table. Caribbean states have typically followed closely other areas of IMO discussions, but the novelty of climate negotiations—falling within the context of the MEPC and convened under the Intersessional Working Group on Greenhouse Gas Emissions (ISWG-GHG)—required a new knowledge base in climate science, economics, and legal policy, extending beyond the traditional bounds of IMO negotiations.

At the critical MEPC 80 meeting, where the core elements of the measures were finalized, only 4 out of 16 Caribbean IMO member states were present. Just a few months earlier, at MEPC 79, only 2 had participated in the discussions.

That absence spurred action.

Recognizing the urgent need for regional representation, the Belize Port Authority, United Nations Foundation (UNF), and University College London (UCL) launched a bold initiative to close the gap. Joined by Jamaica, Grenada, Barbados, and Trinidad and Tobago, the coalition began building the technical and diplomatic skills necessary to negotiate effectively on IMO's mid-term decarbonization measures.

In March 2024—before ISWG-GHG 16 and MEPC 81—the partners convened two pre-negotiation sessions to help these countries align their positions. This groundwork not only strengthened coordination but also helped forge a meaningful alliance between the Caribbean and the Pacific on shipping emissions. During those sessions, St. Kitts and Nevis and St. Vincent and the Grenadines joined the effort, expanding the group's reach and influence. This alliance was unprecedented in the region, as many thought it impossible for CARICOM countries to come together and coordinate on shipping and IMO-related issues.

The momentum continued. Recognizing the need for broader technical capacity in the region, the University of the West Indies' Shridath Ramphal Centre for International Trade Law, Policy and Services (SRC) came on board. With support from experts across the Caribbean—including The Maritime Technology Cooperation Centre Caribbean (MTCC Caribbean) — they launched technical support through tailored training courses for maritime, climate, and trade stakeholders in the region. These efforts helped raise regional awareness about the 2023 IMO GHG Strategy and its deep implications for island economies.

By July 2024, UWI-SRC had begun the process of mobilizing regional experts to launch technical assessments of the proposed measures' impact on the Caribbean. And in August 2024, a new force emerged: **Caribbean Shipping Lanes (CSL).**

The CSL Project has been instrumental in transforming Caribbean engagement at the IMO. Through coordination, technical analysis, legal research, stakeholder consultations

(both national and regional), and increased visibility and advocacy, CSL has helped ensure Caribbean priorities are heard—loudly and clearly.

At ISWG-GHG 17, the group delivered its first-ever joint Caribbean submission: document ISWG-GHG 17/2/18. The paper provided a comprehensive shipping profile for Caribbean states and detailed the outsized impact of emissions-driven climate change on the region. That profile includes certain core truths that have influenced, and continue to influence, the negotiating posture of Caribbean states in IMO negotiations—especially the emphasis on a just and equitable transition, supported by a universal carbon levy (substantiated by the UNCTAD Comprehensive Impact Assessment), and a global fuel standard based on the "well-to-wake" life cycle assessment approach.

Core elements of the ISWG-GHG 17/2/18 Submission by Caribbean States
Position Paper Summary: Mid-Term Measures and Impacts on the Caribbean Region
Submitted by Antigua and Barbuda, Belize, Dominica, Grenada, Jamaica, and Saint Lucia to ISWG-GHG 17 (August 2024)

Overview: This position paper outlines the critical concerns and priorities of Caribbean SIDS regarding the IMO's mid-term GHG reduction measures. It emphasizes the region's disproportionate vulnerability to climate change and its reliance on maritime trade and tourism, calling for measures that are ambitious yet just and equitable.

Key Points:
- Economic Dependence
- Climate Vulnerability
- Aging Fleet
- Preference for Universal Carbon Levy and Global Fuel Standard
- Concerns with overly complex compliance mechanisms

UNCTAD Findings:
- Higher-than-average increase in shipping costs for Caribbean SIDS
- Potential food security risks
- Need for equitable revenue distribution
- Capacity gaps in fuel infrastructure and regulation

Recommendations:
- Design fair and transparent measures
- Enhance technical and financial support
- Prioritize food security and resilience in fund allocation

📎 *Full document: ISWG-GHG 17/2/18 Position Paper*

Delegations praised the submission for its strong technical basis and for proposing a balanced, equity-focused path toward decarbonization. That submission cemented the Caribbean's presence in the negotiations as an identifiable sub-grouping within the IMO GHG negotiations.

Since then, CSL has supported CARICOM countries through subsequent IMO sessions, including ISWG-GHG 18, ISWG-GHG 19 and MEPC 83, where the Caribbean played a pivotal role in shaping the design of the world's first global emissions pricing mechanism for shipping.

The CSL has sought to ensure maximum participation of the Caribbean region through a number of efforts, including:

- 10 technical reports on economic impacts, legal positioning, food security, and alternative fuel readiness;
- 7 national consultations engaging port authorities, regulators, and civil society;
- Established a trusted core group of country delegates;
- Trained over 50 Caribbean maritime officials through a regional strategic course;
- Hosted monthly coordination meetings to align regional strategies;
- Facilitated the first-ever regional submission on a GHG levy and fuel standard;
- Launched CSL's dedicated webpage, logo, LinkedIn presence, and videos;
- Spurred two CARICOM Maritime Technical Working Group meetings that led to a historic directive from CARICOM Heads of Government to forge "common positions, where appropriate," and defined "Core Negotiating Goals" for MEPC 83 and ISWG-GHG 19.

While the final outcome for mid term measures at MEPC 83 fell short in some respects—and lacked the ambition many in the region had hoped for—it marked a historic milestone. The Caribbean's voice helped anchor equity in the global conversation on shipping emissions.

This journey, from near-invisibility to real influence, reflects not just strategy but deep resolve. Through our shared commitment to protecting our economies, people, and ecosystems, Caribbean states are no longer just reacting to global decisions—they are shaping them.

The road ahead is long. But the Caribbean is now firmly at the table—and staying there.

b. Technical Preparations leading up to MEPC 83

As noted above, the Caribbean—led by Belize, Jamaica, and others—had consistently supported a universal levy (with an accompanying disbursement mechanism) and a stringent fuel standard. This position was reinforced through various written and oral submissions, as well as negotiating texts, including ISWG-GHG 16/2/5, ISWG-GHG 17/2/14, ISWG-GHG 17/2/15, ISWG-GHG 17/2/18, ISWG-GHG 18/2/5, and ISWG-GHG 18/2/6. These contributions emphasized several key elements:

- Ensuring that revenues are generated to allow for capacity building and training;
- Safeguards against food insecurity;
- Funding for both in-sector and out-of-sector initiatives; and
- Addressing the needs of disproportionately negatively impacted (DNI) regions.

The economic element remained a central priority, even though the region fully understood the interconnection between the technical (fuel standard) and economic (pricing) elements. Up to that point, SIDS had supported the establishment of an IMO Disbursement Fund, which would be financed by revenues from the universal levy as well as penalties collected for non-compliance with the agreed fuel standard. The Fund—still under development—was intended to reward early compliance with the Net Zero Framework and provide support to developing countries, particularly SIDS and LDCs, as part of a just and equitable transition.

Progress on the fuel standard was relatively well reflected in the evolving text; however, significant uncertainty remained regarding flexibility mechanisms, including the possibility of credit trading among ships complying with the fuel standard. The interaction between these mechanisms and the economic elements had not yet been fully explored.

For the Caribbean region, the universal levy continued to be a priority—even though other country groupings, including the International Chamber of Shipping (ICS)/Bahamas and the European Union, advocated for alternative approaches. By ISWG-GHG 18, however, a coalition of over 50 countries had coalesced around a proposal broadly supportive of the levy[4], which included the EU, ICS and Bahamas.

[4] Further Consideration of the Development of the Basket of Candidate Mid-Term GHG Reduction Measure(s) Using Annex 1 to Document MEPC 82/WP.9 as the Basis: Consolidation of the Proposals for an Economic Element of the Mid-Term Measures Based on a GHG Levy/Contribution (20 December 2024) ISWG-GHG 18/2/5 https://shridathramphalcentre.com/wp-content/uploads/2025/01/ISWG-GHG-18-2-5-Consolidation-of-the-proposals-for-an-economic-element-of-the-mid-term-measuresbased-on-a.-Austria-Bahamas.pdf accessed 17 April 2025.

At ISWG-GHG 18, the region prepared its technical analysis in line with its established negotiating positions. To support this, 10 technical papers were commissioned by CSL and shared with delegates.[5] On this basis, the region was able to prepare technical-level positions, with strategy documents compiled by CSL for discussion. To generate further discussion at the national level, CSL also commissioned a consultant to work closely with IMO focal points in various Caribbean countries to raise awareness of the ongoing negotiations and support position development.[6]

At the conclusion of ISWG-GHG 18 of the IMO in February 2025, a bridging proposal known as "J-9" was introduced by Singapore, and co-sponsored by eight other countries (including China and Brazil), and supported by the Chair of the ISWG-GHG 18. The proposal sought to reconcile divergent views on the mid-term measures by integrating core elements from both levy-based and credit-trading approaches. It consisted of two main components: a Global GHG Fuel Standard (GFS), aimed at progressively reducing the carbon intensity of marine fuels using a life-cycle "well-to-wake" methodology; and a market-based mechanism that allowed ship operators to comply with emission intensity targets through flexible options. Under this system, operators exceeding the GHG intensity limit could either pay a levy or purchase compliance credits from those operating below the limit, thereby introducing a hybrid of a carbon price and a trading scheme.

While intended as a compromise, the J-9 proposal drew criticism from some delegations—including those representing SIDS—for lacking clarity on ambition, enforceability, and equity, for creating uncertainty, and for placing a disproportionate administrative burden on developing countries. Moreover, due to its complexity, the region was unable to fully assess the merits and drawbacks of the J-9 proposal at the time and conveyed this position to the Chair. Although the J-9 was not formally discussed at ISWG-GHG 18, it was appended as an Annex to the Chair's text and included in 18/WP.1.

Following the meeting, CSL experts, alongside regional and Pacific Island SIDS stakeholders and UCL, conducted a detailed technical assessment of the J-9 proposal. Some Caribbean delegates also participated in the Informals in Singapore, where the proposal was further discussed.

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[5] See Caribbean Shipping Lanes, *A Multidisciplinary Examination of Caribbean Interests in Maritime Decarbonisation* (March 2025) https://shridathramphalcentre.com/wp-content/uploads/2025/03/Introduction-to-Reports-1.docx.pdf accessed 17 April 2025.

[6] Caribbean Shipping Lanes (2025), Stakeholder Engagement Study, Focus Group Discussions Report - Prepared by Rosemarie Cadogan (Caribbean Shipping Lanes Stakeholder Engagement Consultant) https://shridathramphalcentre.com/wp-content/uploads/2025/03/Report-4-Stakeholder-Engagement-Study_-Focus-Group-Discussions-Report.pdf accessed 17 April 2025.

During this phase, and as part process, the CARICOM Secretariat convened the Second Meeting of the CARICOM Maritime Technical Working Group (CMTWG) on Friday, 28 March 2025. In accordance with the Heads of Government's directive, as noted above, calling on the Caribbean countries to adopt "common positions, as appropriate", the CMTWG reviewed the state of play in the negotiations on the 2023 IMO GHG Strategy for the Reduction of GHG Emissions from Ships, with a particular focus on the GHG levy and the emerging J-9 proposal. The meeting provided an opportunity to assess critical issues impacting the region and refine the regional response.

Following a technical presentation by CSL on the negotiations, CARICOM Member States at the CMTWG reached consensus on a core set of negotiating goals to guide their engagement at MEPC 83, despite the recent emergence of the J-9 text. These goals included:

1. Achieving climate objectives set out in the 2023 IMO GHG Strategy, through a stringent GHG fuel standard (GFS), allowing for intermediate options in the short term (e.g., biofuels);
2. Securing a high levy or equivalent emissions contribution that ensures stable and predictable revenue;
3. Establishing a transparent, equitable, reliable, and efficient disbursement framework, which:
    - ❖ Rewards early use of zero and near-zero (ZNZ) fuels and supports R&D in this area;
    - ❖ Enables Caribbean States to undertake a just and equitable transition, including investments in port adaptation, and infrastructure for and development of ZNZ fuels;
4. Ensuring that regional concerns related to increased transport costs, food security, and climate adaptation and resilience are taken fully into account.

2. The Caribbean at MEPC 83: From Ripples to Waves

All of the preparatory work undertaken by the region culminated in its most significant milestone in April 2025, at MEPC 83 in London. MEPC 83 was preceded by two days of technical work at ISWG-GHG 19, chaired by Norway, followed by “informals” among dedicated delegates, led by the Vice Chair from Singapore.

CSL was on the ground, offering real-time legal, policy, and logistical support to CARICOM delegates as they navigated the final stages of negotiating the mid-term decarbonization measures. Working closely with UCL experts, as well as colleagues from the Micronesian Center for Sustainable Transport (MCST) who advised Pacific countries, and through expanded coordination with African and Central American countries, CSL provided the Caribbean delegations with technical, advocacy, and logistical support.

a. CSL Logistics Coordination

The CSL team began logistical coordination well in advance of IMO meetings. This included liaising with the IMO—particularly its Meeting Services Division—to secure rooms for internal coordination and bilateral sessions. For ISWG-GHG 19 and MEPC 83, Meeting Room 2 at IMO Headquarters (second floor) was secured for use by the Caribbean Group during designated time periods.

Ahead of each session, a Caribbean Preparatory Meeting was routinely organized by the United Nations Foundation (UNF) in collaboration with CSL. For ISWG-GHG 19 and MEPC 83, two strategy meetings were held with delegates on the ground. Attending delegations included: **Antigua & Barbuda, Barbados, Belize, Dominica, Grenada, Jamaica, Saint Lucia, Saint Kitts & Nevis, Saint Vincent & the Grenadines, and Trinidad and Tobago (online).**

CSL experts Dr. Jan Yves Remy, Prof. David Berry, Dr. Dale Ramlakhan, Mr. David Forgenie, and Dr. Annika Frosch (UCL) were on site, while CSL Delegations Coordinator, Ms. Jaeda Sutherland provided logistical and administrative support and served as liaison between CSL and the delegates.

To support the delegations, CSL produced a ‘*CSL Guide for CARICOM IMO Negotiators’*, which was distributed to all delegates. It included updated regional positions, key data, draft speaking points, and logistical information to support effective participation.

To facilitate real-time communication, a WhatsApp group was launched prior to arrival in London. It included all confirmed delegates and was used to coordinate meeting times, share updates, flag opportunities for interventions, and provide technical support.

Additionally, CSL created a shared live Google Document titled *'CSL Delegation Interventions for ISWG-GHG 19 & MEPC 83'*. This ensured that all delegates had immediate access to talking points and strategic context during both plenary sessions and informal negotiations.

b. Key Coordination with the ACP

The alliance between African, Caribbean and Pacific (ACP) delegations, along with select Central American states such as Mexico emerged organically based on shared priorities in climate and maritime issues.

Building on the success of regional coordination at ISWG-GHG 18, a pre-session ACP meeting was held to share insights on evolving positions, discuss regional concerns, and identify strategic approaches for ISWG-GHG 19.

During ISWG-GHG 19, the ACP bloc collaborated closely, with additional support from Costa Rica, Mexico, and Seychelles. An informal grouping calling itself "ACP Plus" emerged—a coalition that caucused regularly and supported each other's positions on the floor, especially on issues where common interests aligned.

Among their shared priorities were:

- A commitment to **high climate ambition**;
- A demand for a **just and equitable outcome**; and
- A call for **adequate revenue collection and disbursement** to **SIDS** and **LDCs**.

This coordination, technically supported by the UCL team, proved vital in ensuring the technical soundness and effective representation of SIDS' interests throughout the entire negotiations.

c. Deep Dive into the "Net-Zero Framework": Implications for the Caribbean

i) What's in the "Net Zero Framework"?

After a week of negotiations — at the ISWG-GHG-19, led by the Norwegian Chair, and during the informal meetings moderated by Singapore — the MEPC 83 meeting was convened on 7 April. Shortly thereafter, the Working Group reconvened to continue developing measures for approval. During these sessions, further discussions were held on textual drafts, including those conducted in informal mode.

On 11 April, a draft document was presented for approval by the MEPC 83 plenary. That meeting agreed to a new mid-term measures policy, referred to as the "Net-Zero Framework," which was appended to the MEPC Chair's Report as Annex 1 to MEPC 83/WP.11. As explained in further detail below, agreement was reached following a call for a vote by Saudi Arabia — 63 Member States voted in favour, 16 against, with the decision threshold being a simple majority. There is now the conventional six-month period before the agreed amendment is considered for adoption at a meeting in October 2025 (a simple yes/no decision, expected to be favourable based on the positions taken at this meeting).

If adopted, the Net-Zero Framework will take effect as amendments to MARPOL Annex VI, specifically under Chapter Five.

Chapter 5 – Regulations on the IMO Net-Zero Framework

Regulation 30: Application

- Applies to ships ≥ 5,000 GT.
- Excludes:
  - Ships on domestic voyages;
  - Non-mechanically propelled vessels, FPSOs, FSUs;
  - Semi-submersibles (pending review).

Regulation 31: Goal

- Achieve GHG reductions aligned with the 2023 IMO Strategy.
- Promote energy transition and a just and equitable transition.

Regulation 32: Functional Requirements

- Improve GHG fuel intensity (GFI) over time.
- Contribute financially via emissions pricing and uptake of ZNZs (zero or near-zero GHG emission fuels/tech).

Regulation 33: Attained Annual GHG Fuel Intensity (GFI)

- Ships must calculate their GFI yearly (Well-to-Wake basis).
- Considers all energy used (e.g., fuel oil, shore power, wind, solar).

Regulation 34: Sustainable Fuels Certification

- Certification required via recognized Sustainable Fuel Certification Schemes (SFCS).
- Certification information may accompany bunker delivery notes.
- Annual reporting by SFCS entities to ensure transparency.

Regulation 35: Target Annual GFI

- Sets two GFI targets:
  - Base Target (gradual reduction);
  - Direct Compliance Target (more stringent).
- Starts with 4%/17% reductions in 2028, rising to 30%/43% by 2035.
- 2040 Base target to be 65% below 2008 baseline.

Regulation 36: GFI Compliance Approaches

- Compliance balance = Target GFI – Attained GFI × Energy used.
- Ships exceeding targets:
  - Must acquire Remedial Units (RUs) from the IMO Net-Zero Fund.
  - May use Surplus Units (SUs) from other compliant ships.
- Initial RU prices: $100/tCO2eq (Tier 1), $380/tCO2eq (Tier 2).

Regulation 37: Reporting and Verification

- Ships must report GFI performance annually.
- Verified by the Administration and submitted to the IMO GFI Registry.

Regulation 38: IMO GFI Registry

- Centralized system for managing:
  - Compliance balances;
  - Remedial and surplus units;
  - Ship account statements;
  - Transparency in emissions data.

Regulation 39: Uptake of ZNZs

- Rewards for using fuels ≤ 19 gCO2eq/MJ (to be tightened to 14 gCO2eq/MJ by 2035).
- IMO to define reward structures and track ZNZ uptake globally.

Regulation 40: IMO Net-Zero Fund

- ❖ Established and administered by the IMO.
- ❖ Collects pricing contributions and disburses funds.
- ❖ Oversight by a Governing Board with SIDS/LDC representation.
- ❖ Subject to audit and annual reporting.

Regulation 41: Disbursement of Revenue

- ❖ Fund disbursement priorities:
  - ➢ Rewards for ZNZ uptake.
  - ➢ Support for developing countries (esp. SIDS/LDCs) through:
    - ■ Tech transfer, capacity building, port infrastructure, workforce transition, and NAPs.
    - ■ Provision for food security: Explicit reference to addressing "disproportionately negative impacts on States, including on food security."

Regulation 42: Technical Cooperation and Technology Transfer

- ❖ Calls for cooperation with IMO and international bodies.
- ❖ Encourages information sharing and infrastructure development.

Regulation 43: Food Security

- ❖ Reaffirms that the Committee shall address, avoid, remedy and mitigate negative food security impacts from GHG measures.

Regulation 44: Review

- ❖ IMO will review the chapter every five years to assess progress toward climate goals (Reg. 31).
- ❖ Adjust Targets: May revise annual GHG Fuel Intensity (GFI) reduction levels (Reg. 35).
- ❖ Update ZNZ Definitions: May amend thresholds for Zero and Near-Zero fuels (Reg. 39).
- ❖ Expand Scope: May extend application to ships ≥400 GT.

📎 *Full document: Draft Amendments to MARPOL Annex VI on the IMO Net-Zero Framework – Note by the Chair of the Working Group on Reduction of GHG Emissions from Ships here.*

The verdict on what- and whether- these measures will deliver is still out, but initial analysis by UCL provides the following initial assessments of key outcomes[7]:

[7]Smith, T, Frosch, A., Fricaudet, M., Majidova, P., Oluteye, D., Baresic, D. & Rehmatulla, N. (2025) An overview of the discussions from IMO's 83rd Marine Environment Protection Committee, London, UK

Major Achievements

- **Legally Binding Global Framework**: If adopted, the regulation will be binding under international law. Countries can opt out, but ships trading internationally remain subject to enforcement.
- **Pathway to Net-Zero by 2050**: The policy shifts the sector toward fossil fuel phase-out within 15 years through a complex two-tier pricing system.
- **Discourages Liquefied Natural Gas (LNG)**: LNG as a marine fuel will face increasing penalties, making it uncompetitive for newbuild vessels.
- **Imposes a Global GHG Price**: Applies to a portion of emissions on a well-to-wake basis—not full coverage.
- **Significant Revenue Generation**: Estimated $11–12 billion annually in initial years, with potential to increase after a 2030 review.
- **Revenue Distribution**:
  - Incentives for Zero and Near-Zero (ZNZ) emission fuels.
  - Support for "Just and Equitable Transition" (JET), including maritime climate adaptation and resilience projects.

Shortcomings and Concerns

- **Limited GHG Reductions**: Combined with revised short-term measures, the new policy is expected to yield only ~10% reduction by 2030 (vs. the 20–30% goal).
- **Complex Policy Design**: Using the J9 as a base, the measures adopt a hybrid of carbon pricing and credit trading which will increase private sector complexity and investment risk.
- **Revenue Shortfalls**: Funds may be insufficient to support both early ZNZ adoption and JET goals, creating competition between priorities.
- **Insufficient to Spur Long-Term Investment Alone**: Additional finance and policy support will be needed to ensure wide availability of future fuels.
- **Risk of Uneven Global Access**: Countries lacking capital or industrial policy support may lag behind, raising equity concerns in the transition.

ii) What does this mean for the Caribbean?

In the section below, we present a Caribbean-specific analysis of selected provisions of the draft Regulations under the Net-Zero Framework, based on assessments by CSL experts who were present during the negotiations at ISWG-GHG 19 and MEPC 83.

(1) Understanding the Numbers – From a Levy to "Tiers"

As noted earlier, the Caribbean's initial position on the economic element of the mid-term measures supported a **universal carbon levy** applied to all ships based on their emissions. The proposed rate, jointly advocated by Caribbean and Pacific SIDS, was **USD 150 per tonne of CO_2 emitted**. If adopted, this could have yielded an estimated revenue of **60-80 billion USD annually**, with the potential to accelerate the shipping sector's transition to low- and zero-emission fuels by making high-carbon fuels less economically viable.

However, the final agreement reflected the **J9 proposal**, which replaced the simple levy with a more complex, two-tier system combining pricing, incentives, and compliance flexibility. This shift was the outcome of intensive negotiations aimed at striking a balance between:

1. Ambition levels sufficient to meet the 2023 IMO GHG Strategy fuel-intensity targets
2. The need to ensure technological and economic feasibility for the transition
3. Incentivizing early adopters of Zero and Near-Zero (ZNZ) fuels
4. Ensuring adequate revenue generation for **Just and Equitable Transition** funding.

The final text saw the approval of a dual-target compliance mechanism to reduce ships' Greenhouse Gas Fuel Intensity (GFI), with stringency increasing over time:

- **Base Target Annual GFI (Tier 1):** The mandatory minimum GFI reduction target for all ships.
- **Direct Compliance Target Annual GFI (Tier 2):** A more ambitious threshold to reward early adopters and technological leaders.

Both targets are benchmarked against the average GFI of international shipping in 2008, set at 93.3 gCO_2eq/MJ on a Well-to-Wake basis.

This new hybrid approach combines credit trading with a tiered compliance regime and achieved the following outcomes (despite much higher values requested by SIDS that would have delivered on the ambitions under the 2023 IMO GHG Strategy):

- **Below Tier 1 (Direct Compliance GFI):**
  - More ambitious targets of **17% in 2028**, rising to **43% by 2035**
  - Ships that meet these targets can earn and trade surplus credits

- **Tier 1 (Base Target GFI):**
  - Mandatory GFI reductions starting at **4% in 2028**, reaching **30% by 2035**
  - Non-compliant ships face a **Tier 1 penalty of USD $100/tonne CO_2eq**
  - Ships between Tier 1 and Tier 2 still face Tier 1 penalties

- **Tier 2 and above:**
  - Ships falling short of both targets incur a Tier 2 penalty of USD 380/tonne CO_2eq for which they pay remedial units into an IMO Fund or buy surplus units from those ships meeting their targets

This system is illustrated in *Figure 1* below.[8]

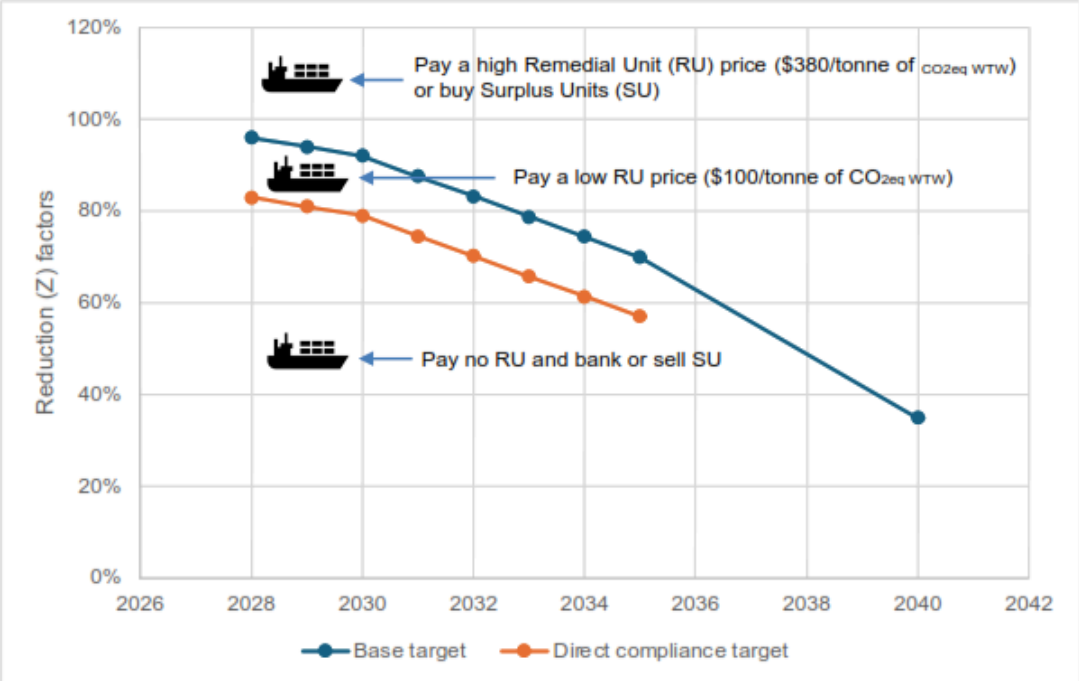


Figure 1: Illustration of Global Fuel Intensity and credit trading mechanism and reduction factors and prices agreed at MEPC 83

[8] Smith, T., Frosch, A., Fricaudet, M., Majidova, P., Oluteye, D., Baresic, D. & Rehmatulla, N. (2025). An Overview of the Discussions from IMO's 83rd Marine Environment Protection Committee, London, UK.

It is estimated that the system could raise USD 11–12 billion annually in its first three years, with potential for further increases following a scheduled review in 2030. Initial estimates by CSL suggest that the Caribbean region will require approximately USD 2 billion per year up to 2030 to cover the costs of transitioning—particularly in fuel production, port infrastructure, and food security. While the expected revenue from the IMO measures may fall short of fully addressing the full scope regional needs, the rules governing the distribution of funds are still under development (see Section below on Net Zero Fund and Revenue Disbursement), creating an opportunity for the Caribbean to shape access modalities.

To secure financing, Caribbean transition projects must be:

- Clearly defined
- Aligned with the goals of the IMO Net-Zero Fund
- Attractive to private finance partners

If used strategically, the Net-Zero Fund could de-risk investments in the region by offsetting the high financial, geographic, and political risks Caribbean countries often face. This would lower the cost of capital and improve the viability of regional projects, making them more competitive in global markets.

The IMO Net-Zero Framework agreed at MEPC 83 opens direct and indirect opportunities for several sectors in the Caribbean, based on revenue flows, compliance requirements, and transition support.

1. **ZNZ Fuel Production and Renewable Energy**

   The shift toward zero and near-zero (ZNZ) fuels will stimulate demand for biofuels, green ammonia, and hydrogen.

   ➔ **Caribbean Opportunity***:* Agricultural by-products (e.g., sugarcane, biomass) in Guyana and Suriname could support biofuel production. Islands rich in geothermal energy can develop renewable-powered electrolysis facilities.

2. **Port and Maritime Infrastructure**

   Revenue will support upgrades for ZNZ bunkering and shore power.

   ➔ **Caribbean Opportunity***:* Major ports (e.g., Kingston, Bridgetown) can modernize to become regional ZNZ hubs, while shipyards can expand retrofit services to meet new GHG standards.

3. Maritime Workforce Development

The transition will require training in new fuel systems and technologies.

➔ **Caribbean Opportunity**: Maritime academies – CMU, MTCC (Caribbean) and others - can access funding to upskill seafarers, positioning the region as a leader in ZNZ-capable crews.

4. Technology and Certification Services

All ZNZ fuels must be IMO-certified.

➔ **Caribbean Opportunity***:* Local and regional certification bodies and labs can build capacity in fuel life cycle analysis, creating specialized service sector jobs.

5. Climate Adaptation and Resilience

The Net-Zero Fund supports Just and Equitable Transition (JET) projects in SIDS.

➔ **Caribbean Opportunity***:* Governments and NGOs can tap funds for coastal protection, port resilience, and disaster mitigation.

6. Regional R, D &D and Innovation

The framework promotes research, development and deployment projects.

➔ **Caribbean Opportunity***:* Universities (UWI, UTT) and public-private partnerships can lead pilot initiatives in ZNZ technologies, attracting global collaboration and investment.

(2) What are ZNZ fuels and which ones qualify under the measures?

Central to the 2023 IMO GHG Strategy and the newly approved Net-Zero Framework is the role of zero and near-zero (ZNZ) fuels. These fuels form the backbone of the shipping sector's transition away from fossil fuels, and their definition will critically shape which technologies are incentivized or sidelined. For the Caribbean, the agreed thresholds for qualifying fuels under the Framework will directly influence future fuel supply and investment decisions in the region.

Leading up to MEPC 83, considerable debate centered on what fuels should be considered eligible ZNZ fuels—either by type or by their GHG intensity. The Caribbean, alongside Pacific SIDS, championed a **"high ambition" position**, advocating for stringent fuel eligibility thresholds. Specifically, the region supported a GHG intensity ceiling of **10 gCO_2eq/MJ**, well below what many industrialized countries were comfortable with. This was meant to ensure only the cleanest fuels would benefit from compliance incentives under the new system.

In the end, the compromise reflected in the MEPC 83 Net-Zero Framework defines ZNZ fuels as technologies, fuels, and energy sources evaluated on a well-to-wake basis. To qualify, fuels must have:

- A **GHG intensity of ≤19 gCO_2eq/MJ until 2034**,
- tightening to **≤14 gCO_2eq/MJ from 2035 onwards.**

This definition is technology-neutral, meaning any fuel—whether biofuel, e-fuel, green hydrogen, green ammonia, etc.—can qualify if it meets the threshold. However, the thresholds are intentionally stringent. Many conventional biofuels, fossil-based LNG (even with carbon capture), and other high-emission fuels will likely be disqualified, especially after 2034. This outcome aligns with the ambition of SIDS to phase out fossil-based marine fuels and steer the sector toward truly renewable alternatives.

Moreover, under the Regulations, only fuels certified by IMO-recognized Sustainable Fuel Certification Schemes (SFCS) will be accepted for compliance purposes. These schemes must cover the full lifecycle GHG emissions (well-to-wake) and include robust sustainability criteria—such as land use, social impacts, and traceability. This means Caribbean fuel producers will need to ensure compliance with SFCS requirements, which may necessitate significant investment in monitoring, reporting, and verification systems.

The definition and certification of ZNZ fuels under the Net-Zero Framework will shape the types of fuels that are viable in the Caribbean region and the investments that will follow.

Several key considerations emerge:

- **Biofuel Potential** - Caribbean countries such as Guyana, Suriname, and Jamaica have potential to produce biofuels from sugarcane, agricultural residues, and other biomass. However, only those biofuels with low lifecycle emissions and robust sustainability credentials will qualify. Projects based on waste and residues (not food crops) are more likely to meet the standard. If local biofuels fail to qualify, ships using them will be penalized, making those fuels uncompetitive.
- **Renewable Energy Integration** - ZNZ fuel production (e.g., green hydrogen, ammonia) depends on access to renewable electricity. Islands with geothermal, solar, or wind potential may be able to meet this demand. If they can certify production processes, they could become regional suppliers.
- **Infrastructure and Investment Needs** - Compliance will require new infrastructure, including certified production facilities, fuel testing labs, and port-side bunkering capacity for ZNZ fuels. These investments may be out of reach for many Caribbean states without access to concessional finance or private sector partnerships.
- **Risk of Exclusion** - If regional producers cannot meet ZNZ certification criteria, the Caribbean could become overly reliant on imported fuels, raising costs and reducing local economic value. Conversely, early movers who can certify and export ZNZ fuels may access new markets and attract climate finance.
- **Guideline Development** - Importantly, the current ZNZ definitions are not yet fuel pathway-specific. The IMO will develop further guidelines clarifying eligibility criteria and acceptable production pathways. Caribbean stakeholders must engage actively in this process to ensure local feedstocks and technologies are fairly assessed and included.

(3) The importance of certification schemes and processes

The IMO Net-Zero Framework establishes a system to ensure that only fuels and technologies meeting strict sustainability and greenhouse gas (GHG) criteria are recognized for compliance and eligible for rewards. Central to this system is the requirement that all fuels must be certified under a recognized Sustainable Fuel Certification Scheme (SFCS). These schemes must be formally recognized by the MEPC in accordance with detailed IMO guidelines, which are still under development.

To maintain environmental integrity, each SFCS must certify the full well-to-wake lifecycle GHG emissions of a fuel, including emissions from feedstock sourcing, production, transport, and use. In addition to GHG intensity, certification must cover broader sustainability themes such as land use, social impacts, and traceability. Recognition of SFCSs is valid for five years, subject to periodic review and annual reporting to the IMO to ensure ongoing compliance and transparency.

Further, all fuel batches supplied to ships must be accompanied by a Fuel Lifecycle Label (FLL), which records the certified GHG intensity and sustainability attributes of the fuel. The FLL must be referenced in the ship's bunker delivery note and will serve as the basis for compliance verification.

Ships must also update their Ship Energy Efficiency Management Plan (SEEMP) to include methodologies for collecting and reporting data on fuel use and GHG intensity. Compliance will be verified through initial and periodic surveys, with verified data submitted to the IMO GFI Registry. Administrations (or Recognized Organizations) will then issue Statements of Compliance, which must be kept on board and are subject to port State control.

The IMO has committed to developing detailed guidelines to support implementation of these requirements. These will cover: methods for calculating attained GHG fuel intensity (GFI); procedures for recognizing and auditing SFCSs, reward mechanisms for ZNZ fuels, updates to existing guidance, such as the Lifecycle GHG Intensity (LCA) Guidelines and the SEEMP framework.[9]

[9] It was understood that further details will be elaborated in the updated Guidelines to the LCA, to be finalized before adoption.

During the negotiations, CSL experts were active in shaping the outcome—particularly in pushing for high sustainability standards in the certification process. Responding to the region's own needs and realities, CSL negotiators advocated successfully for language in the Regulations to reflect that:

> *"The GHG intensity of a fuel shall be calculated using GHG emission factors and take into account all relevant metrics and indicators for each sustainability theme or aspect of a fuel as documented on the Fuel Lifecycle Label (FLL)."*

That said, the region faces significant capacity constraints in meeting these certification requirements. This includes limited institutional ability to monitor and verify compliance with fuel standards; and participate in international standard-setting processes

These limitations raise concerns about the risk of exclusion from emerging low-carbon fuel markets. From a trade perspective, and in line with WTO rules on technical barriers to trade, regulations and standards should not be more restrictive than necessary to achieve their objectives. The emphasis must be on standards developed through open, inclusive, and transparent international forums, ensuring they do not become barriers to trade, particularly for developing regions like the Caribbean. Therefore, as the IMO finalizes guidelines and supporting tools, Caribbean States will need to closely monitor the guideline development process, seek representation in international standard-setting bodies for sustainable fuels, develop or partner with recognized SFCSs, ensure local and regional producers and regulators (eventually) can meet documentation, traceability, and verification requirements

The Framework includes a Regulation for technical cooperation and technology transfer, with specific attention to the needs of developing countries, SIDS, and LDCs. Caribbean countries must now position themselves to benefit from these mechanisms, ensuring their fuel producers and ports are not left behind in the global transition to net-zero shipping.

(4) The Net Zero Fund, Revenue Disbursement … and Food Security

As noted above, Small Island Developing States (SIDS) have long emphasized that achieving a Just and Equitable Transition under the 2023 IMO GHG Strategy hinges on effectively delineating and implementing regulations concerning the Net-Zero Fund and Revenue Disbursement. They recognized that these regulations would be ineffective without sufficient revenue to allocate—first, to reward compliant ships, and second, to support a Just and Equitable Transition that encompasses both "in-sector" and "out-of-sector" spending.

Despite the failure to retain a universal levy—which would have provided a more substantial fund—the ACP Plus group, including Caribbean SIDS, worked to ensure that the language in the regulations governing the Fund and Revenue Disbursement was as favorable as possible.

The regulations for the Net-Zero Fund, to be established by the IMO Secretary-General, remain relatively basic. Key provisions include:

- The Fund will collect GHG emissions pricing contributions from ships (Regulation 36) and disburse funds as specified in Regulation 41.
- A Governing Board, appointed by the Committee, will manage daily operations in line with approved governing provisions.
- The governing provisions will define eligible recipients, financing mechanisms, operational procedures, collaboration with partners, and allocation rules—including for a Just and Equitable Transition.
- The Governing Board must be gender-balanced and include strong representation from developing countries, especially SIDS and LDCs.

However, there was no agreement on specific allocations between rewards and the Just and Equitable Transition.

Regarding Revenue Disbursement, there were strongly opposing views. One side, supported by China, favored limited forms of "in-sector" revenue disbursement closely tied to shipping and the necessary energy transition. Conversely, the African, Caribbean, and Pacific States advocated for a broader range of revenue disbursement options, including "out-of-sector" uses not solely tied to shipping. The final provision approved at MEPC 83 sought a middle ground. All negotiating states agreed that revenue should be disbursed to reward ships and investors making the energy transition (Regulation 41(1)(1)).

However, the division persisted in Regulation 41(2), which states:

Regulation 41: Disbursement of Revenue

1 The IMO Net-Zero Fund shall disburse collected revenue for the following purposes, as shall be specified in its governing provisions: […]

2 in the context of the implementation of this chapter and, promoting a just and equitable transition in States by facilitating environmental and climate protection, adaptation and resilience building within the boundaries of the energy transition in shipping, paying particular attention to the needs of developing countries, in particular least developed countries (LDCs) and small islands developing States (SIDS), and allocating sufficient revenue, by:

1 researching, developing and making globally available and deploying zero and near-zero GHG emission technologies, fuels and/or energy sources, supporting the energy transition of shipping, and developing the necessary maritime, coastal and port-related infrastructure and equipment;

2 enabling a just transition for seafarers and other maritime workforce;

.3 facilitating information sharing, technology transfer, capacity-building, training and technical cooperation supporting the implementation of the regulations in this chapter;

4 supporting the development and implementation of National Action Plans (NAPs), including fleet renewal and upgrade; and

.5 addressing, as appropriate, disproportionately negative impacts on States, including on food security, resulting from the implementation of the regulations in this chapter; and

3 cover the administration and operational costs of the Fund and its Governing Board.

The key areas of controversy are highlighted in the chapeau of Regulation 41.1.2. First, while there was no reference in the "Fund" Regulation regarding allocations of monies to ensure sufficient funds for the Just and Equitable Transition, SIDS secured a mention of "allocating sufficient revenue" in the introductory paragraph (Regulation 41.1.2). Second, the phrase "within the boundaries of the energy transition in shipping" was highly contested by SIDS, as it could be interpreted to limit subsections 4(2)(1)-(5) to activities solely within the shipping energy transition. This phrase was demanded by several states for their acceptance of the Regulation. Caribbean delegates assessed whether this language significantly limited the subsections, ultimately determining it

acceptable, especially since the chapeau explicitly included language promoting the Just and Equitable Transition by facilitating environmental and climate protection, adaptation, and resilience building. The specific subparagraphs encompassed most of their desired disbursement uses during the transition, namely:

1. Researching, developing, making available, and deploying the necessary maritime, coastal, and port-related infrastructure and equipment.
2. Enabling a Just Transition for seafarers and other maritime workforce.
3. Supporting the development and implementation of National Action Plans (NAPs) related to climate change.
4. Addressing food security concerns.

This list closely aligns with the major negotiating goals of Caribbean states entering MEPC 83 and reflects many priority areas highlighted in national consultations. Port upgrades and infrastructure were among the top priorities, and Caribbean states, alongside other SIDS, argued for the inclusion of the term "deploying" in the context of maritime, coastal, and port-related infrastructure and equipment, emphasizing the need for practical implementation beyond mere research and development. This term was accepted.

A second priority was to mitigate the impacts of increased transport costs on food security. A study prepared by CSL Expert David Forgenie et al. assessed the region's vulnerability to food insecurity, underscoring the need for special provisions. During negotiations, Caribbean states advocated for including the phrase "food and nutrition security," highlighting that the region's threat extended beyond food to encompass nutritional needs. Despite widespread support, the reference to nutrition was omitted from the final text in the last moments of negotiations, as it had not been specifically referenced in the 2023 IMO GHG Strategy.

Food Security, championed by Egypt and other African countries, was also made the subject of a separate regulation under the Framework, reflecting the 2023 IMO GHG Strategy’s recognition of the need to assess the impacts of measures on food security and other socio-economic areas. At a previous MEPC meeting, it was agreed that further work would be undertaken to study these impacts. A specially convened workshop featured a presentation by CSL expert David Forgenie, whose findings on the Caribbean’s vulnerability to food insecurity were well received. There was widespread support—including among SIDS—for including a standalone provision. As a result, a separate regulation was adopted requiring the MEPC to take steps to avoid, remedy, and mitigate any disproportionately negative impacts of the Framework on food security, with special attention to countries exposed to food insecurity, and to continuously monitor and review the chapter’s potential impacts in this regard.

3. MEPC83 and Beyond: The Wind is in our Sails

a. The Vote

On the last day of the MEPC 83 meetings, the MEPC Chair – from Liberia – put forward his proposed amendment text of the Net-Zero Framework on a 'take it or leave it' basis. This text was then presented to MEPC 83 for circulation. Circulation is required under Article 16(2)(a)-(b) of the MARPOL Convention, which specifies that any proposed amendment must be circulated by the Secretary-General to all:

- 'Members of the Organization'
- 'Parties' to MARPOL
- The 'appropriate body' [here, the MEPC].

At that meeting, Saudi Arabia called for a vote on the Chair's text (that is, the Annex VI Net-Zero Framework). There was some confusion regarding what the vote was for, but as the Secretariat clarified, the vote was solely for the purpose of deciding whether to circulate the Chair's text. Such a decision, under Article 62 of the Convention on the IMO (IMO Convention)[10], only requires a simple majority vote in favour.

Upon presentation of the text for their vote, Caribbean states faced the difficult choice of whether to:

- Vote against the Chair's text (as inadequate to our region's needs or to meet the 2023 IMO GHG Strategy's goals),
- Vote in favour (as a concession to move the 2023 IMO GHG Strategy forward, albeit at a lower ambition level), or
- Abstain (as a form of moral protest about the final text and/or the processes leading up to its adoption).

[10] Article 62 of the Convention provides:

> Except as otherwise provided in the Convention or in any international agreement which confers functions on the Assembly, the Council, the Maritime Safety Committee, the Legal Committee, the Marine Environment Protection Committee, the Technical Cooperation Committee or the Facilitation Committee, the following provisions shall apply to voting in these organs:
> (a) Each Member shall have one vote.
> (b) Decisions shall be by a majority vote of the Members present and voting and, for decisions where a two-thirds majority vote is required, by a two-thirds majority vote of those present.
> (c) For the purpose of the Convention, the phrase Members present and voting means Members present and casting an affirmative or negative vote. Members which abstain from voting shall be considered as not voting.

This decision was further complicated by knowledge that several states who were not generally supportive of the revised regulations would vote against it, and that the Pacific states—and some others—were planning to abstain in protest.

Caribbean states at MEPC 83 consulted with their capitals. Despite concerns about several aspects of the text and the process leading up to its proposed approval, **all CARICOM states present at MEPC 83 voted in favour of circulating the text**, with the exception of **Suriname**, which abstained.

The majority vote taken at MEPC 83 was in favour of circulating the text.

As a result, having achieved a simple majority, the text has been approved for circulation. The proposed amendments must now be circulated six months in advance, as specified in Article 16(2)(a) of the International Convention for the Prevention of Pollution from Ships, 1973 (MARPOL Convention).[11]

b. Adoption of the Net Zero Framework as amendments

The next step after MEPC83 will be to formally adopt the amendments to the Regulations, which requires a two-thirds majority vote in favour, under Article 16(2)(d).[12]

The amendments to the Regulations are scheduled to be adopted at the extraordinary meeting of the MEPC in October 2025. As commented by UCL experts: “There is now the conventional 6-month period before the agreed amendment is considered for adoption at a meeting in October 2025 (a simple yes/no decision, expected to be favourable based on the positions taken at this meeting)”.[13]

It is likely that the amendment will be adopted by the ‘tacit acceptance’ procedure which is described by the IMO as follows:

> Instead of requiring that an amendment shall enter into force after being accepted by, for example, two thirds of the Parties, the “tacit acceptance” procedure provides that an amendment shall enter into force at a particular time unless before that date, objections to the amendment are received from a specified number of Parties.[14]

[11]Article 16(2) (a): “(a) any amendment proposed by a Party to the Convention shall be submitted to the Organization and circulated by its Secretary-General to all Members of the Organization and all Parties at least six months prior to its consideration.”
[12]Article 16(2)(d): amendments shall be adopted by a two-thirds majority of only the Parties to the Convention present and voting;
[13]Smith, T., Frosch, A., Fricaudet, M., Majidova, P., Oluteye, D., Baresic, D. & Rehmatulla, N. (2025). An Overview of the Discussions from IMO’s 83rd Marine Environment Protection Committee, London, UK, p.3.
[14]See Conventions (15 Mar 2025)

For MARPOL amendments under the tacit acceptance procedure states are deemed to have accepted amendment by a specified date, usually 12 months, unless under Article 16(2)(f)(iii) one third of the parties, or 50% of the gross tonnage of the world's merchant fleet, objects:

> (iii) an amendment to an appendix to an Annex to the Convention shall be deemed to have been accepted at the end of a period to be determined by the appropriate body at the time of its adoption, which period shall be not less than ten months, unless within that period an objection is communicated to the Organization by not less than one third of the Parties or by the Parties the combined merchant fleets of which constitute not less than 50 per cent of the gross tonnage of the world's merchant fleet whichever condition is fulfilled;

If the above 'objecting' threshold is reached, the amendment will not be accepted. If it is not reached, objecting parties may choose not to be bound by the amendment, as foreseen in Article 16(2)(f)(ii), which provides:

> Nevertheless, at any time before the entry into force of an amendment to an Annex to the Convention, a Party may notify the Secretary-General of the Organization that its express approval will be necessary before the amendment enters into force for it.

An amendment will enter into force 6 months following acceptance, except for those who have objected to it, or who require express approval (as per the above).[15]

In terms of implications for the Caribbean in the upcoming adoption and acceptance process, the region will have to decide whether to support the adoption of the amendments. Adoption requires a higher voting threshold and therefore a strong negative Caribbean vote, if joined by others, might prevent adoption. However, if we decide to support the amendments we should vote in favour of them, and also support use of the tacit acceptance procedure (which will speed up entry into force).

Interestingly, the wording of Article 16 of the MARPOL Convention does not make a distinction between parties to the MARPOL Convention and parties to the 1997 Protocol (which brought into force Annex VI).[16] As a result it is assumed that any party to the

[15]See MARPOL Convention, Article 16(2)(g)(ii), which provides "the amendment deemed to have been accepted in accordance with the foregoing conditions shall enter into force six months after its acceptance for all the Parties with the exception of those which, before that date, have made a declaration that they do not accept it or a declaration under subparagraph (f)(ii), that their express approval is necessary."

[16]MARPOL Convention Article 16(1) uses the phrase "present Convention" in relation to amendments. This phrase is used throughout to refer to the MARPOL Convention itself. The IMO Convention, in contrast, is referred to as "the Convention". The subparagraphs of Art 16 simply refer to the "Convention," not the "present Convention." As a result, the voting rules would seem to include all parties to the IMO Convention, not just those party to the MARPOL Convention. This would be highly unusual. In any event, the wording does not limit voting on Annex VI amendments to those party to the 1997 Protocol.

MARPOL Convention can vote on the amendments, not solely those party to the 1997 Protocol. Given the wording of Article 16(2)(d) - which provides that "amendments shall be adopted by a two-thirds majority of only the Parties to the Convention present and voting" - abstentions will not affect adoption.

The following Caribbean states are parties to the MARPOL Convention and/or its Protocol of 1997 (adopting Annex VI)[17]:

MARPOL 73/78 Contracting State (CARICOM)[7]	Annexes I-II	Annex III	Annex IV	Annex V	MARPOL 1997 Protocol (Annex VI)
Antigua and Barbuda	✔	✔	✔	✔	✔
Bahamas	✔	✔	✔	✔	✔
Barbados	✔	✔	✔	✔	✔
Belize	✔	✔	✔	✔	✔
Dominica	✔	✔	x	✔	x
Grenada	✔	x	x	x	x
Guyana	✔	✔	✔	✔	✔
Jamaica	✔	✔	✔	✔	✔
St Kitts and Nevis	✔	✔	✔	✔	✔
Saint Lucia	✔	✔	✔	✔	✔
St Vincent and the Grenadines	✔	✔	✔	✔	✔
Suriname	✔	✔	✔	✔	x
Trinidad and Tobago	✔	✔	✔	✔	✔

[17]Protocol of 1997 to Amend the International Convention for the Prevention of Pollution From Ships, 1973, as Modified by the Protocol of 1978 Relating Thereto (MARPOL PROT 1997) (signed 26 Sep 1997, in force 19 May 2005).

Given the uncertainty in the language of Article 16, it is recommended that contact be made with the IMO Secretariat to determine whether:

- All IMO Member States can vote on the adoption, or
- Only those party to the MARPOL Convention, or
- Only those party to the 1997 Protocol.

In any event, all CARICOM participants at the IMO should decide whether to support the amendments to Annex VI. If they are in favour then they certainly should attend the extraordinary meeting of MEPC in October (be present) and be prepared to vote in the affirmative.

c. Next steps

Assuming that Caribbean states will be in favour of the amendments (even though they do not meet our high ambition position), we will be placed in the unenviable position of having to defend the amendments from challenge by other states, and to push for their adoption and entry into force. We will also need to ensure that all of the subsidiary rules created to give effect to these amendments, such as Guidelines – as noted above - do not water down the progress we have achieved at MEPC 83.

It is suggested that we seek to develop strong guidelines that not only support the amendments, but that flesh out and *strengthen* the goals we sought in our negotiations. A work plan for developing Guidelines, has been included in the Chair's Report as Annex 2.[18]

As we move towards the timeframe for adoption of the measures, the Caribbean should focus on the following tasks:

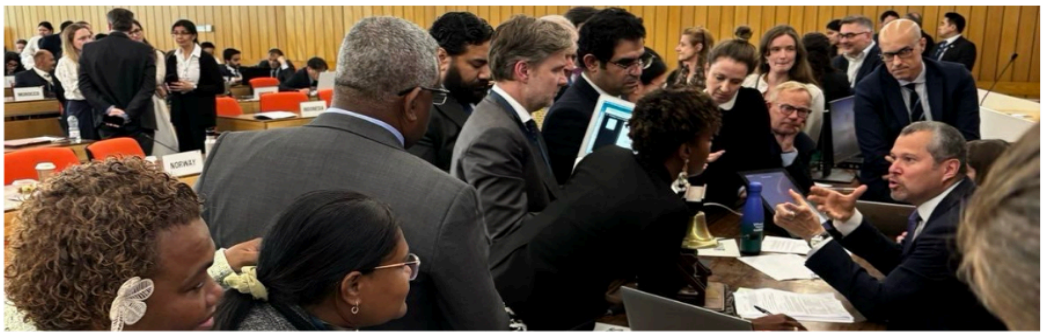
- Continue working with MCST and Pacific states, and other ACP plus allies, to create a governing instrument for the Fund,
- Identify any gaps and inconsistencies in the Regulations that need to be filled and/or corrected,
- Ensure participation in the elements of the work plan and guidelines, elaborated in the Chair's Report, and identify particular guidelines that will require our urgent attention, such as those related to:
  - The reward (Reg 39(2))
  - ZNZs (Reg 39(1)),
  - The composition of the Board (Reg 40(5)),
  - Information sharing, technology transfer, capacity-building and technical cooperation (Reg 42(3)),
  - Food security (Reg 43)
- Consider how the approved measures intersect with ongoing negotiations on short term measures

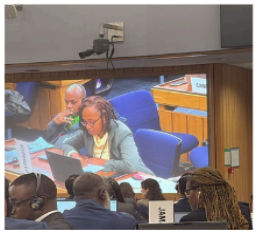
[18]Annex 2 is entitled: Indicative List of Proposed New Guidelines to be developed and existing Guidelines to be Amended to Support the Implementation of the IMO Net-Zero Framework.

In sum, the process for implementation of the 2023 IMO GHG Strategy is ongoing. The amendments must be adopted, accepted and enter into force. The more fine-grained work entailed in creating Guidelines also needs to be done, and these Guidelines could either strengthen, or water down, the impact of the Regulations.

The work of the region, and CSL, continues.

SNAPSHOTS FROM ISWG-GHG 19/MEPC83 MEETINGS



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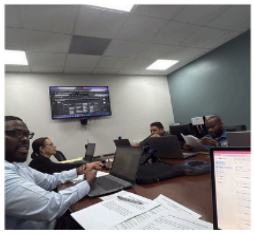


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About Caribbean Shipping Lanes

The Caribbean Shipping Lanes (CSL) Project, housed at the Shridath Ramphal Centre, supports the Caribbean's engagement in International Maritime Organization GHG negotiations. With funding from the United Nations Foundation and support from the University College London and the Belize Port Authority, CSL enhances regional coordination, research, and advocacy for sustainable and climate-resilient maritime policies.

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