

Report on the Regional Workshop on the 2023 IMO GHG Strategy to Reduce Shipping Emissions for the Caribbean

Introduction

Climate change is one of the most pressing challenges facing the global community today. The increasing concentration of greenhouse gases (GHGs) in the atmosphere, primarily due to human activities, has led to significant changes in climate patterns, resulting in extreme weather events, rising sea levels, and adverse impacts on biodiversity and ecosystems. Recognizing the urgency of addressing this issue, the Paris Agreement was adopted in 2015 under the United Nations Framework Convention on Climate Change (UNFCCC). The Paris Agreement aims to limit global warming to well below 2 degrees Celsius above pre-industrial levels, with efforts to keep the increase to 1.5 degrees Celsius. Under this agreement, countries have made national commitments to reduce their GHG emissions and enhance resilience to the impacts of climate change. These commitments are crucial in the global effort to mitigate climate change and transition towards a low-carbon, sustainable future.

While the shipping industry plays a vital role in global trade and the economy, facilitating the movement of approximately 80% of the world's goods by volume, it is also a significant emitter of greenhouse gases, accounting for about 3% of global emissions. If shipping were a country, it would rank as the sixth-largest emitter of GHGs, highlighting the industry's substantial environmental footprint.

Shipping is essential for trade and globalization as it provides a cost-effective and efficient transport of goods worldwide. The scale and efficiency of maritime transport enable it to support international trade and economic growth, making it indispensable for modern society. However, the environmental impact of shipping cannot be overlooked, and there is a pressing need to address its contributions to climate change.

To tackle the environmental challenges posed by the shipping industry while ensuring its viability and efficiency, the International Maritime Organization (IMO) has taken proactive measures. The IMO, a specialized agency of the United Nations responsible for regulating shipping, has developed a comprehensive strategy to reduce GHG emissions from international shipping. The IMO's Revised GHG Strategy sets out a pathway for the industry to reduce its total annual GHG emissions to reach net-zero GHG emissions by or around 2050.

The IMO's GHG Strategy includes short-, mid-, and long-term measures to achieve these ambitious targets. These measures encompass improvements in energy efficiency, the adoption of alternative fuels and innovative technologies, and operational measures to reduce emissions. By implementing these strategies, the IMO aims to ensure that shipping remains a viable and efficient mode of transport while significantly decreasing its environmental footprint.

Background on 2023 IMO GHG Strategy:

On July 7, 2023, during the 80th meeting of its Marine Environment Protection Committee (MEPC 80), the International Maritime Organization (IMO) adopted a revised GHG strategy for reducing emissions from international shipping. This strategy updates the original 2018 GHG Strategy and will be reviewed again in 2028. The 2023 Strategy outlines the timeline and framework for binding regulations to reduce maritime sector emissions resulting from extensive negotiations among IMO member states.

The 2023 IMO GHG Strategy sets ambitious targets for reducing greenhouse gas emissions from international shipping; key targets include:

1. **2030 Target:** Reduce the total annual GHG emissions from international shipping by at least 20%, striving for 30%, compared to 2008 levels. Additionally, ensure that zero- and near-zero emission fuels account for at least 5% of international shipping's total energy consumption by 2030.
2. **2040 Target:** Achieve a reduction of at least 70%, striving for 80%, in total annual GHG emissions from international shipping compared to 2008 levels.
3. **2050 Goal:** Reach net-zero GHG emissions from international shipping around 2050, ensuring a significant and sustainable reduction in emissions over the coming decades.

The IMO's authority to translate its targets into enforceable global regulations signals a serious commitment to decarbonizing the maritime sector and encouraging investment in renewable energy, zero-emissions fuels, and vessels. The 2023 Strategy details the timeline and framework for developing these regulations, including a technical measure to limit marine fuel GHG intensity and an economic measure like GHG emissions pricing. This could introduce the first global enforceable price or levy on GHG emissions, setting a precedent for other sectors.

The strategy also emphasizes the need for a "just and equitable transition", ensuring no nation, particularly small island states and least developed countries, are disproportionately impacted or left behind. This priority was absent in the initial strategy and highlights the growing global recognition that climate action should be inclusive, reflecting increased leadership from developing countries in the climate debate.

The process for developing the implementing regulations started with a comprehensive assessment of the potential impacts on states of candidate measures. These will be reviewed to craft final regulatory measures, scheduled for adoption in Autumn 2025 and entering into force in 2027.

IMO GHG Workshop for the Caribbean:

Over the past year, the Belize Port Authority, with the support of international and regional partners, has led the Caribbean region in the ongoing shipping decarbonization negotiations at the IMO. Last year, the participation of the Belize Port Authority and several other Caribbean countries at Intersessional Working Group 16 and Marine Environment Protection Committee 81 was [integral to ensuring that climate change remained at the forefront of the negotiations](#). During the IMO meetings in March 2024, Caribbean delegations met with delegates from the Kingdom of the Netherlands to discuss the impact of the mid-term measures on small island developing states, especially given the Dutch territories in the Caribbean. As a result of this meeting, the IMO, the Belize Port Authority, and the Kingdom of the Netherlands convened a workshop for the Caribbean region from July 10 – 11 in Belize City, Belize. 85 Participants from 18 member states and territories participated in the interactive panel discussions. Discussions covered various topics, including implementing and reviewing short-term measures and the ongoing development of mid-term measures by IMO.

There was a strong emphasis on addressing the potential negative impacts of these measures on the Caribbean States and recognizing the special needs of the maritime sector in the region, including technology development, capacity-building, and maritime education. Participants also discussed opportunities and challenges related to the fleet's energy transition, focusing on reducing carbon intensity in Caribbean shipping. Port readiness issues such as efficiency, infrastructure upgrades, and bunkering system needs were also highlighted and the key role of ports in supporting decarbonizing the shipping industry.

Participants reiterated their commitment to implementing the 2023 IMO GHG strategy for ship decarbonization, emphasizing the critical role of MARPOL Annex VI in preventing pollution. They stressed the importance of technical assistance and capacity building to help member states develop legislation to ratify, implement, and enforce MARPOL annexes. High-level representation at the IMO on GHG and MARPOL issues was emphasized due to the region's commitment to climate and environmental concerns.

Funding for attending IMO meetings was identified as crucial for enhancing the Caribbean presence and impact. Support for ongoing technical participation was deemed essential for building regional capacity and closing information gaps at the political level. The significance of climate change in the 2023 IMO GHG negotiations was acknowledged, with a focus on the economic pricing mechanism and a global fuel standard as key components to meet strategy targets. A "just and equitable transition," ensuring no state or seafarer is left behind, was highlighted as vital to the negotiations. Broad support emerged for a levy on emissions and a simple global fuel standard to achieve this transition. Member states of CARICOM reaffirmed their commitment to developing a coordinated regional position and collaborating with other IMO member states to reach consensus.

Participants noted ongoing studies from the Comprehensive Impact Assessment by UNCTAD and DNV, emphasizing the need for Caribbean-specific case studies on the impact of measures in collaboration with regional academic institutions and experts. The impact of the carbon intensity indicator (CII) on regional shipping patterns and the necessity for further discussions as part of the IMO's short-term measures revision process were also discussed. The importance of data collection and sharing for a coordinated development approach to the shipping sector was highlighted, along with the need for investment in ports and infrastructure to reduce emissions and support regional economic development.

The role of regional academic institutions like Caribbean Maritime University, the University of the West Indies, and the University of Trinidad and Tobago was recognized for their research on shipping decarbonization impacts. A coordinated approach among these institutions was welcomed, acknowledging their contributions to maritime training and education in the region. Mechanisms for further engaging CARICOM member states in the IMO GHG Strategy negotiations were discussed, encouraging participation in the CARICOM Maritime Working Group and leveraging national and regional coordinating mechanisms. Breaking down silos among different industries, such as tourism and aviation, was deemed essential for decarbonization and economic development.

Participants committed to follow-up meetings on GHG issues and continued regional coordinating meetings and workshops on the matter.