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HIGH-LEVEL BRIEF FOR URGENT ATTENTION:

CARIBBEAN PARTICIPATION IN IMO GHG EMISSIONS NEGOTIATIONS FOR MID-TERM MEASURES

SUMMARY

The Caribbean region is at a critical juncture in ongoing negotiations at the International Maritime Organization (IMO) on binding mid-term measures to reduce greenhouse gas (GHG) emissions from shipping. These negotiations are being conducted pursuant to the IMO's 2023 Strategy on Reduction of GHG Emissions from Ships, and will result in agreement on a technical measure and an economic measure. Once adopted by the IMO in 2025 and upon entering into force in 2027, these measures will have significant economic implications for Small Island Developing States (SIDS) like those in the Caribbean, which are highly dependent on maritime shipping for access to the global economy, trade, and employment in shipping and related sectors.

The Caribbean Community (CARICOM) Member States - all of which are Members of the IMO - have a narrow window to shape the design of the mid-term measures being negotiated at the IMO to ensure that they account for the region's unique vulnerabilities, especially in the face of climate change. Key concerns include the cost of the transition for older fleets, the impact on critical industries, and the impact of shipping emissions on the climate. A just and equitable transition is essential for our States, and active participation in the negotiations over the next 12–18 months is crucial. While some countries, notably, Belize and Jamaica have been leading efforts on behalf of the region, broader, unified regional participation is needed to secure the Caribbean's interests in these negotiations.

Immediate recommendations include developing a unified CARICOM position that includes continued support for a universal levy on GHG emissions (as the preferred pricing mechanism) as proposed by Belize and the Pacific SIDS; conducting country-level further research on the expected economic impacts of the transition; and increasing high-level advocacy to ensure that the Caribbean is not left behind in the global effort to decarbonise the shipping industry.

BACKGROUND

The International Maritime Organization (IMO) is a specialised United Nations agency with 176 Member States, including all CARICOM Member States, that focuses on enhancing the safety and security of international shipping while preventing marine and atmospheric pollution from ships.

The IMO has committed to aligning international shipping emissions with the temperature goals of the Paris Agreement. This commitment is operationalised through the 2023 IMO Strategy on Reduction of GHG Emissions from Ships (**the GHG Reduction Strategy**). In addition to setting indicative targets to reduce emissions from shipping, the strategy mandates the adoption of binding “mid-term measures” by 2025, which will include both a technical measure (i.e. a global fuel standard) and an economic measure (i.e. GHG pricing mechanism or levy) to achieve its objectives. Crucially, these measures must promote the energy transition of the shipping industry while contributing to a just and equitable transition that leaves no country or seafarer behind, with a particular focus on Small Island Developing States (SIDS) and Least Developed Countries (LDCs).

In the ongoing negotiations under the GHG Reduction Strategy, the Pacific Islands and Belize are leading efforts on behalf of SIDS to ensure that the transition to a cleaner shipping industry remains just and equitable. Their proposal includes a \$150/tonne levy on CO₂ emissions combined with a global fuel standard that promotes the use of zero-emissions green fuels. Preliminary findings from UNCTAD indicate that this approach is the least disruptive cost option out to 2050, the most supportive to the transition, and that an economic measure in the form of a universal levy provides the best option to offset the cost of the transition costs and fund the just and equitable transition.

CARICOM Member States therefore have a narrow window of opportunity to shape the design of these measures and mitigate potential impacts on key industries like tourism, food security, and maritime transportation. To do so, political and technical participation from all CARICOM members in the remaining negotiations is critical.

WHAT IS IN THE 2023 GHG REDUCTION STRATEGY?

The 2023 IMO Strategy on Reduction of GHG Emissions from Ships includes four levels of ambition, with a core focus on 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 CO₂ 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 GHG emissions from ships.

WHAT IS CURRENTLY HAPPENING AT THE IMO?

IMO Member States are negotiating the binding technical and economic measures necessary to meet the targets set out under the GHG Reduction Strategy. These measures are crucial for driving investment in new technologies to transition the global shipping industry and ensuring that developing countries, particularly SIDS and LDCs, are supported during the transition. These negotiations are managed by IMO bodies, namely, the Marine Environment Protection Committee (MEPC) and the Intersessional Working Group on GHG (ISWG-GHG).

WHAT IS AT STAKE IN THE IMO NEGOTIATIONS FOR THE CARIBBEAN REGION?

Whatever the outcome of the ongoing IMO negotiations to reduce emissions from shipping, they will profoundly affect the Caribbean region. This is because shipping globally accounts for 3% of global emissions - which, if considered a country, would rank alongside Germany in terms of emissions - and because the Caribbean region depends heavily on international shipping to be connected to the global economy.

The transition of the global shipping industry, expected to cost over \$1 trillion USD over the next 20 years, will impact all fleets, including those travelling to and from the region, and those involved in intra-regional commerce. A study by UNCTAD, which modelled the impact of various policy measures on Member States, has shown that the transition will negatively impact global GDP, with SIDS and LDCs facing disproportionately larger impacts. That said, the cost of inaction will also lead to significant environmental and climate-related consequences, especially for SIDS.

Preliminary findings from UNCTAD indicate that Caribbean economies will experience smaller GDP impacts by 2030 but face larger impacts by 2050, in line with the global trajectory, for those scenarios without a levy. However, scenarios with a levy resulted in smaller GDP impacts overall, with some countries experiencing GDP growth, compared to those scenarios where the economic measure is a flexibility mechanism without a universal levy. This is due to revenues generated from the levy providing economic stimulus for Caribbean economies. Further details are available in **Annex 1** of the **Caribbean Submission to the IMO** ([ISWG 17/2/18](#)).

Critical Statistics for the Caribbean:

- The average age of the global commercial fleet is around 21.9 years (by the number of ships) and 11.5 years (by cargo capacity). However, many ships in the Caribbean, particularly those used for inter-island trade, are 20-30 years old, with smaller ships averaging over 35 years old.
- In 2022, CARICOM countries imported goods worth \$47.1 billion and exported \$43.7 billion, with key trading partners being the U.S., the EU, Canada, and China.
- By 2050, climate damages in the Caribbean are projected to cost the region \$22 billion annually.

WHICH CARIBBEAN STATES ARE MOST INVOLVED IN THE ONGOING GHG NEGOTIATIONS?

Belize and Jamaica have taken a leading role, with support from Antigua and Barbuda, Barbados, Dominica, Grenada, Saint Lucia, Saint Kitts and Nevis, Saint Vincent and the Grenadines, and Trinidad and Tobago. This participation is crucial given the region’s economic vulnerability to the measures under negotiation, and it is important that it be sustained.

WHAT ARE THE TIMELINES AND UPCOMING DEADLINES?

The design of the mid-measures is currently under negotiation, with adoption planned for October 2025 and entry into force by late 2027. These measures will be incorporated into **Annex VI** of the **International Convention for the Prevention of Pollution from Ships (MARPOL)**, which addresses air pollution from ships.

The process and timelines for the negotiations leading up to the adoption of the mid-term measures are provided in the table below.

Date	Meeting	Location	Description
February 17-21, 2025	ISWG 18	London, UK	Critical dedicated negotiating session
March 31 - April 4, 2025	ISWG 19	London, UK	Critical dedicated negotiating session
April 7-11, 2025	MEPC 83	London, UK	Approval of the basket of measures
October 13-17, 2025	MEPC/ES.2 (13-14)	London, UK	Adoption of the basket of measures

HOW WILL THE MID-TERM MEASURES TAKE EFFECT IN CARICOM MEMBER STATES?

All CARICOM Member States except Haiti are signatories to the International Convention on the Prevention of Pollution from Ships (MARPOL Convention). The Convention addresses the prevention of pollution by several substances including oil, sewage and garbage and the 1997 Protocol to the Convention introduced a new Annex (Annex VI) which regulates air pollution from ships. Cuba, Dominica, the Dominican Republic, Grenada, and Saint Lucia have yet to accede to the 1997 Protocol, although some of these States are taking the necessary steps to become party to the Protocol. This is important as the flow of revenues raised from the economic measures may be restricted to state parties only.

The negotiated amendments to the MARPOL Convention will come into force by way of the tacit amendment procedure whereby States Parties will be automatically bound by the amendments unless two-thirds of the States object. This means that CARICOM States that are party to the Protocol will be automatically bound by its provisions whether or not they participated in the negotiations. It is therefore critical that the measures being negotiated at minimum reflect the interest of the region and, at minimum, do not have an adverse impact on the economies of CARICOM Member States.

States that are not party to the Protocol will also be subject to the enforcement of the amendments when they come into force. Based on the No More Favourable Treatment principle ships flying their flag will have to comply when operating in the jurisdiction of parties to the Protocol. Foreign ships carrying vital goods to our ports may also demand that the countries that are not party to the Protocol comply with its provisions.

WHAT HAVE CARIBBEAN STATES BEEN ADVOCATING FOR IN IMO NEGOTIATIONS?

Six Caribbean Member States (Antigua and Barbuda, Belize, Grenada, Dominica, Jamaica, and Saint Lucia) co-sponsored a document (ISWG 17/2/18) emphasising the importance of the negotiations. The document calls for:

- A universal mandatory levy with targeted revenue used to support low/zero GHG fuels and address climate mitigation needs.
- A global fuel standard to promote green fuel development alongside the levy.
- Prioritising port infrastructure investment and training for seafarers.
- A fund disbursement strategy that considers vulnerability and readiness for transition without solely relying on GDP/(GNI) per capita criteria.

WHAT ARE THE URGENT NEXT STEPS FOR CARIBBEAN STATES?

The Caribbean must act swiftly to protect its interests in the ongoing IMO negotiations. It is recommended that:

1. Member States continue to support SIDS' call for a levy to ensure a just and equitable transition.
2. CARICOM and the Organisation of Eastern Caribbean States (OECS) develop a unified position that prioritises addressing the impacts of global shipping on the climate.
3. Regional institutions conduct further research on the impact of the IMO measures on Caribbean economies.
4. Enhanced public advocacy and dialogue take place, particularly focusing on SIDS.
5. A regional strategy for the implementation of the GHG regulations in shipping should be developed with the support of institutions like the Caribbean Community Climate Change Centre (CCCCC), the Caribbean Development Bank (CDB) - which can assist with designing revenue disbursement mechanisms and ideas on the nature of a Fund - and the Caribbean Centre for Renewable Energy and Energy Efficiency (CCREEE)- which can assist with the region's needs assessment on the transition to e-fuels, the provision of shore power, feasibility studies related to energy projects as well as project development support.