

Informal CSL Briefing Note

**CARICOM's participation in the
IMO's 18th Inter-Sessional Working Group on Green House Gas Emissions**

February 17-21 2025 | London, UK

1. Background to IMO Negotiations on GHG Emissions

The international shipping industry, under the guidance of the International Maritime Organization (IMO), has set an ambitious target to achieve net-zero emissions by or around 2050. Central to this commitment is the [2023 IMO Revised Strategy](#), which establishes a dual approach: a goal-based greenhouse gas (GHG) fuel intensity standard and a pricing mechanism for maritime GHG emissions.

To implement this strategy, binding measures—collectively referred to as the “basket of measures”—are being negotiated to support the transition of the shipping industry. The Strategy outlines emission reduction targets for 2030 and 2040, with a review of net-zero emissions by or around 2050. Key priorities for this transition are to enable a level playing field and to ensure a **just and equitable transition** that leaves no country behind. The overall transition is expected to cost over **USD 1 trillion by 2050**.

The **Marine Environment Protection Committee (MEPC)** is responsible for developing and securing consensus on mid-term measures to achieve these goals. Technical deliberations on the basket of measures take place within the **Inter-Sessional Working Group on Greenhouse Gas Emissions (ISWG-GHG)**, with the next meeting (ISWG-GHG 19) scheduled for **March 31- April 1 2025**.

2. Key Issues at ISWG-GHG 18

Following the MEPC session in October 2024, the Chair circulated a consolidated text reflecting four distinct proposals for an economic measure. In January 2025, a significant breakthrough occurred when approximately 50 states submitted a joint proposal titled: “ISWG-GHG 18/2/5: Consolidation of the proposals for an economic element of the mid-term measures based on a GHG levy/contribution.” That submission merged key aspects of proposals from the Pacific, EU and International Chamber of Shipping and has the support of 50+ delegations from all regions including the Caribbean and Africa.¹ The proponents of this consolidated approach assert that it now commands majority support should a vote be required.

At the subsequent ISWG-GHG 18 meeting held from February 17-21, 2025, IMO delegations worked to align over 23 proposals submitted for purposes of the meeting. The agenda covered:

- Further development of the basket of candidate mid-term measures, using the Chair's text as the foundation for discussions. A revised draft integrating new amendments to the legal framework for bringing these measures into effect (MARPOL Annex VI) was published on IMODOCS ahead of the meeting.

¹Notably, Jamaica, The Bahamas and Belize are named supporters of this submission.

- A Global Fuel Standard – which will define future fuels for the shipping industry, ensuring alignment with the IMO’s climate goals.
- An Economic Measure (GHG Pricing Mechanism) – a pricing mechanism (likely a levy) on emissions from shipping is under discussion to incentivize decarbonization and generate revenue to support the transition.
- Consideration of the outcomes of a February workshop on food security, a major concern for the Caribbean region.
- Development of the IMO Life Cycle GHG Assessment (LCA) framework, which provides a science-based guideline for GHG-emission levels of marine fuels.

To offset the costs and mitigate disproportionate negative impacts on developing countries, revenues generated from the levy must be equitably redistributed to countries in need. Additionally, discussions include a credit trading/flexibility mechanism that would allow for the pooling and trading of compliance units among ships—enabling non-compliant vessels to purchase credits, on private basis, from those exceeding compliance requirements.

3. Caribbean Positions in ISWG-GHG 18

Caribbean delegations, with technical support from the Caribbean Shipping Lanes (CSL) Team, University College London (UCL), and the United Nations Foundation, have been actively engaged in the negotiations. As important context to its positioning in these negotiations, ISWG-GHG 17/2/18 – which the CSL team assisted in drafting - outlines key concerns for the Caribbean region, particularly regarding the economic and food security implications of the transition.

In preparation for the ISWG-GHG 18, technical reports commissioned by the CSL and prepared by CSL experts confirm findings of the UNCTAD and DNV Reports prepared for the IMO GHG negotiations:

- All measures under the GHG Strategy will entail costs to the Caribbean.
- While a levy would impose greater short-term costs, in the long term, a well-designed levy with appropriate disbursements would be the most cost-effective transition tool, ensuring financial compensation to countries for the costs incurred.
- Credit trading schemes that lack revenue redistribution mechanisms would disproportionately harm Caribbean economies.
- The implementation of any GHG policy is likely to lead to increased food prices and reduced imports, particularly affecting essential commodities like unprocessed cereals and fats, exacerbating food insecurity in the Caribbean. Only the High Carbon Levy with Targeted Revenue Distribution can mitigate food security risk in the 2030s and 40’s:

At ISWG-GHG 18, the Caribbean Group aligned with the coalition of 50+, on ISWG-GHG 18/2/5, in supporting a package that includes:

1. The Global Fuel Standard, ensuring a shift away from fossil-based fuels.
2. The Levy, Distribution and Reward Mechanism, generating funds for equitable distribution to mitigate transition costs.

While no final agreement has been reached on the levy price and revenue allocation, Caribbean delegations continued to emphasize that a robust levy and appropriate fund disbursement options are the only viable solutions for an equitable transition.

To maintain maximum negotiating leverage, the Caribbean Group adopted the following core positions:

- The ultimate Goal is “effectively promoting the energy transition of shipping, providing the world fleet with the necessary incentives while ensuring a level playing field and a just and equitable transition.”
- No blanket exemptions should be included in the agreement. Exemptions, while politically attractive, would undermine the effectiveness of the measures and delay critical adjustments such as port development and creation of new bunkering facilities, resulting in higher future costs for Caribbean states.
- The agreement must cover all emissions on a “well-to-wake” basis (that is, the entire process of fuel production, delivery, and use on a ship, including all emissions produced during this process), signaling a decisive shift away from fossil fuels. This would unlock opportunities for green energy production in the Caribbean region (solar, geothermal, green fuels).
- Strong support for a universal levy, which is critical to funding equitable revenue disbursement (for “in and out of sector”, which includes, but is not limited to: port infrastructure development, capacity building and training of seafarers, climate mitigation and adaptation priorities, food security concerns, investment in technologies) and ensuring no country is left behind. This is essential to offset welfare losses incurred by member states due to the transition.

4. Next Steps in the IMO Negotiations

The next round of negotiations is scheduled for March 31 - April 4, 2025, where discussions on both the mid-term measures and the Carbon Intensity Indicator (CII) framework will continue.

The finalized basket of measures is expected to be approved at MEPC 83 (April 7-11, 2025), paving the way for formal adoption at the MEPC Extraordinary Session (October 13-17, 2025).

5. Conclusion

The ongoing IMO negotiations are critical to shaping the future of international shipping and securing a fair transition for the Caribbean region. **Active engagement and unified regional advocacy** remain key to ensuring that the measures adopted **protect Caribbean economies, food security, and trade interests while aligning with global decarbonization goals.**

(The full report by the Chair of ISWG-GHG 18 is available at ISWG-GHG 18/WP.1)

This informal note was prepared by the Caribbean Shipping Lanes. For more information, see:
<https://shridathramphalcentre.com/caribbean-shipping-lanes/>