PRESS RELEASE

IBIA statement/ISWG-GHG 18 intervention concerning the adoption in 2025 of an economic measure by IMO as a maritime GHG emissions pricing mechanism

For immediate release 17/02/25

IBIA recognises that 2025 is a very significant year for the regulation of GHG emissions from international shipping. Respecting fully the views of all IMO Member States, IBIA wishes to reiterate its support for the adoption of a maritime GHG emissions pricing mechanism that establishes an IMO GHG fund to facilitate a just transition, including supporting the development of alternative fuel infrastructure for production and supply to international shipping. Such an IMO GHG fund would complement a global GHG Fuel Standard that IBIA also consider as necessary to signal and drive the investments needed going forward.

IBIA considers a IMO GHG fund as the best way to close the cost gap between conventional fossil fuels and the alternative zero and net-zero fuels that are needed for shipping to meet the goals of the 2023 IMO GHG Strategy. To lower its contribution, levy or fee, shipping will be incentivized to use alternative fuels and then using a clear and transparent methodology the funds generated can then be disbursed to stimulate innovation and development of alternative fuels and other important needs identified by the Member States.

IBIA acknowledges the concerns expressed by some Member States regarding governance after the establishment of a IMO GHG fund but we consider that the Organization has significant experience of successfully administering funds and we therefore have confidence in the Secretary-General and the IMO staff .

IBIA supports the objectives of the mid-term measures which are to achieve the IMO's GHG reduction goals while ensuring no one is left behind. The technical element, the global GHG Fuel Standard, serves as a goal-based measure mandating the transition to zero or net zero GHG emission fuels and technologies, thereby reducing life cycle GHG emissions. In

addition, IBIA recognises that the 2023 IMO GHG Strategy should also provide incentives for the international fleet and establish resources to support a just and equitable transition. These objectives cannot be fully realized through the implementation of the GHG Fuel Standard and alternative compliance approaches alone.

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About IBIA: IBIA - The International Bunker Industry Association is the voice of the global bunker industry, representing the interests of bunker suppliers, traders, brokers, shipowners, port authorities, and other stakeholders. IBIA promotes improved standards, practices, and regulations within the industry, fostering collaboration and knowledge-sharing to address the challenges and opportunities facing the bunker sector.