On July 7, 2023, at the 80th meeting of its Marine Environment Protection Committee (MEPC 80), the International Maritime Organization (IMO), the UN specialized agency with responsibility for developing global standards for shipping, adopted a revised greenhouse gas (GHG) emissions strategy outlining its plans for reducing emissions from international shipping. The 2023 IMO Strategy on Reduction of GHG Emissions from Ships updates the organization’s first GHG Strategy, which was adopted in 2018. The revised strategy will be reviewed again in 2028.

The result of extensive negotiations among IMO member states over the past several years, the 2023 Strategy provides the timeline and framework for binding regulations on the reduction of GHG emissions from the maritime sector.

The new strategy sets a target of reaching net-zero GHG emissions from international shipping “by or around, i.e., close to 2050”, with intermediate checkpoints in 2030 and 2040. This is a significant improvement over the previous strategy, which had a goal of reducing emissions 50% by 2050, although not as ambitious as the trajectory suggested by the Science Based Target initiative’s (SGTi) goal of keeping global warming to 1.5 degrees Celsius. Analysis suggests, however, that with full implementation and action, and increased ambition in the next revision, a 1.5-aligned GHG reduction pathway could still be within reach.

Given that the IMO has the authority to translate its targets into enforceable global regulations for shipping, the 2023 strategy provides a clear signal that the maritime sector is serious about decarbonizing, opening the way for new investment in everything from renewable energy to zero-emissions fuels and vessels. The 2023 Strategy lays out the timeline and framework for developing and implementing these regulations. It also identifies the key elements of the regulatory framework, which will include a technical measure designed to limit GHG intensity of marine fuels, such as a fuel standard; and an economic measure, such as a GHG emissions pricing mechanism. This could be the first global, enforceable price or levy on GHG emissions, potentially setting a precedent for other sectors.

Importantly, the 2023 Strategy also recognizes the need for a “just and equitable” transition that does not disproportionately impact or leave behind any nations, particularly small island states and least developed countries. This priority did not exist in the initial strategy and represents both the growing global recognition that climate action should leave no one behind as well as the increased leadership and influence of developing countries — particularly small island states — in the climate debate. The importance of a “just and equitable” transition is recognized in the overall vision for the strategy as well as in the guidance on development of regulatory measures.

The process for developing the implementing regulations for the strategy begins immediately with a comprehensive assessment of the potential impacts on States of candidate measures. These will be reviewed and used to craft final regulatory measures, which will be adopted in Autumn 2025, for entry into force in 2027.
KEY ELEMENTS OF THE REVISED STRATEGY

VISION
“IMO remains committed to reducing GHG emissions from international shipping and, as a matter of urgency, aims to phase them out as soon as possible, while promoting, in the context of this Strategy, a just and equitable transition.”

TARGETS
• Carbon intensity of international shipping to decline by at least 40% by 2030, compared to 2008;
• Uptake of zero or near-zero GHG emission technologies, fuels and/or energy sources to represent at least 5%, striving for 10%, of the energy used by international shipping by 2030;
• GHG emissions from international shipping to peak as soon as possible and to reach net-zero by or around, i.e., close to 2050, with indicative checkpoints of at least 20%, striving for 30%, by 2030; and at least 70%, striving for 80%, by 2040, compared to 2008.

CANDIDATE REGULATORY MEASURES
• A technical element, namely a goal-based marine fuel standard regulating the phased reduction of the marine fuel’s GHG intensity; and
• An economic element, on the basis of a maritime GHG emissions pricing mechanism.

TIMELINE
• Spring 2024 - Interim report on comprehensive impact assessment of candidate regulatory measures and finalization of set of measures
• Autumn 2024 - Final report on Comprehensive impact assessment of the set of candidate measures
• Spring 2026 - Approval of measures
• Autumn 2025 - Adoption of measures
• 16 months after adoption of measures (2027) - Entry into force of measures

KEY RESOURCES AND ARTICLES
• IMO page on the revised strategy
• Greenwire. U.N. sets cuts for shipping emissions short of climate goals. July 7, 2023
• Lloyd’s List. Shipping’s climate compromise keeps 1.5°C alive, for now. July 7, 2023
• Washington Post. World shipping body votes on ‘historic’ emissions cuts to curb warming. July 7, 2023
• Climate Home News. Pacific “mixed feelings” after compromise on shipping’s climate goals. July 7, 2023
• University Marine Advisory Services. An overview of the discussions from IMO MEPC 80 and Frequently Asked Questions. July 7, 2023