



**BUREAU
VERITAS**

NAVIGATING MEPC 83: INSIGHTS AND OUTCOME

April 2025

AGENDA



1

**GHG REDUCTION
TECHNICAL & POLITICAL
ISSUES**



2

**AIR POLLUTION
ENERGY EFFICIENCY
CII DEVELOPMENTS**



3

**OTHER ITEMS OF
INTEREST**

SPEAKERS



**JULIEN
BOULLAND**

SUSTAINABILITY PORTFOLIO

STRATEGY

BUREAU VERITAS

MARINE & OFFSHORE

SPEAKER



**ADAM
KAPELLA**

DIRECTOR

REGULATORY & INSTITUTIONAL
AFFAIRS

BUREAU VERITAS

MARINE & OFFSHORE

SPEAKER



**SÉBASTIEN
CROUZET**

MANAGER

STATUTORY AFFAIRS

BUREAU VERITAS

MARINE & OFFSHORE

SPEAKER



**BUREAU
VERITAS**

- 01 | **GHG REDUCTION**
- 02 | CII/ AP-EE
- 03 | OTHER ITEMS OF INTEREST

APPROVAL BY A MAJORITY VOTE OF THE NET-ZERO FRAMEWORK

A rare procedure for an historic approval

63 YES (of 79 votes) with European countries (EU, UK, Norway, UKR, Switzerland, Iceland), Canada, China, Japan, Korea, India, Brazil, Turkey, South Africa, Panama, Bahamas, Mexico..

16 NO : Saoudi Arabia and Arabic countries, Iran, Russia, Venezuela, Thailand...

+/- 30 ABSTENTIONS : Argentina, Egypt, Liberia, Marshall and many Pacific Islands, Vietnam, Bangladesh, Australia, NZ...



AN HISTORIC STEP FOR IMO

IMO turns into a global actor of GHG reduction

- **STRATEGY COMPLETED WITH ECONOMIC & TECHNICAL ELEMENTS**
 - IMO's leadership among other international organizations
- **IMO AND ADMINISTRATION OF THE GHG REDUCTION : THE GFI REGISTRY**
 - Sustainable Fuels Certification Schemes recognized by MEPC
 - « ship account statement » issued by IMO which may be requested by PSC "as appropriate"
- **IMO, AN INTERNATIONAL FINANCIAL INSTITUTION?**
 - IMO manages the IMO Fund : from \$40M/year to \$10bn/year (according to several estimates)

KEY POINTS OF THE IMO MID-TERM MEASURE

- Only “**Approved**”.
- Next phases :
 - **Adoption, Entry into force**
- Political discussions in next MEPC sessions
- Goal : deliver the IMO GHG Reduction Strategy
- A whole **new chapter (5)** in the MARPOL ANNEX VI
- For today’s discussion, for sake of simplicity, **calculations mechanism are similar to Fuel EU**

Starting **1 Jan 2028** (data collection)

Applicable to ships > **5,000 GT** (like DCS)

Calculation of penalty

- **1st step** : Calculation of GFI (GHG Fuel Intensity) : Amount of lifecycle GHG emissions per unit of energy used onboard on a well-to-wake basis (in grammes CO2 equivalent per megajoules)
- **2nd step** : Comparaison of GFI against Targets
- **3rd step** : Multiplication of “Deficit” by Total Energy and by financial penalty (or remedial mechanism)

Tiering system

Compliance

- Tier 1 **non-compliance** (“*not that bad*”) => lower cost of remedy
- Tier 2 **non-compliance** (“*bad*”) => higher cost of remedy

Timeline and mechanisms to put in place

- Pricing (Tier 1 and Tier 2) : 2028 – 2030
- Reduction targets : 2028 – 2035 (and 2040)
- IMO Fund : ~ 10 (?) Billion euros
- 14 guidelines to be developed : IMO GFI Registry, Certification of Fuels, IMO Net-Zero Fund, Zero and Near-Zero technologies, ...

IMO MID-TERM MEASURE

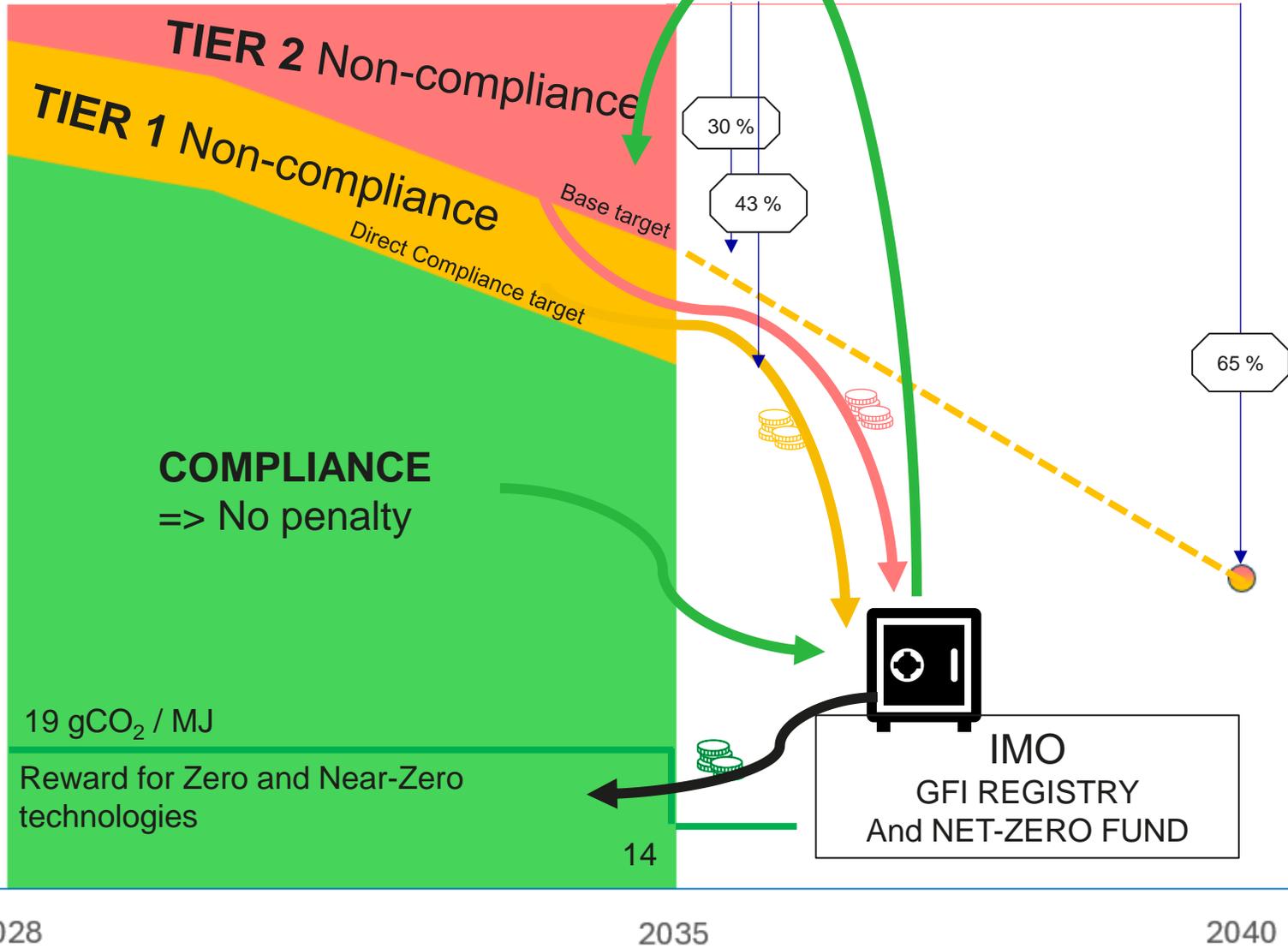


GFI

93.3

93.3 g CO₂ / MJ =
2008 level
~ HFO/MGO mix

Gramme CO₂ equivalent
per Megajoule of Fuel



Tier 2 Non-compliance

- **Surplus Units (SU)** from other ships
- Use Banked **Surplus Units**
- **Remedial Units** at Tier 2 price : **380 USD / t CO₂e** (2028-2030)
- Price in 2031 to be decided in 2028

Tier 1 Non-compliance

- **Remedial Units (RU)** at Tier 1 price : **100 USD / t CO₂e** (2028-2030)
- Price in 2031 to be decided in 2028

Compliance

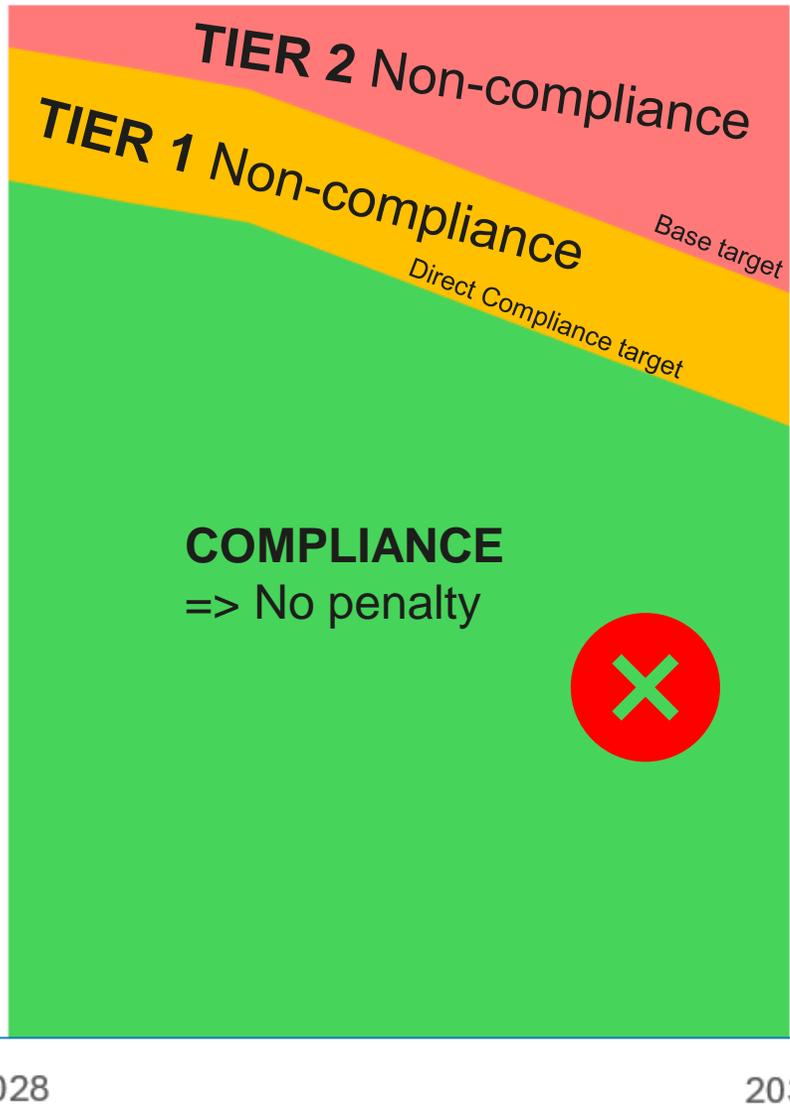
- **Surplus Units (SU)**
- Bank or Transfer or Cancel

IMO MID-TERM MEASURE

GFI

93.3

Gramme CO2 equivalent
per Megajoule of Fuel



Compliance

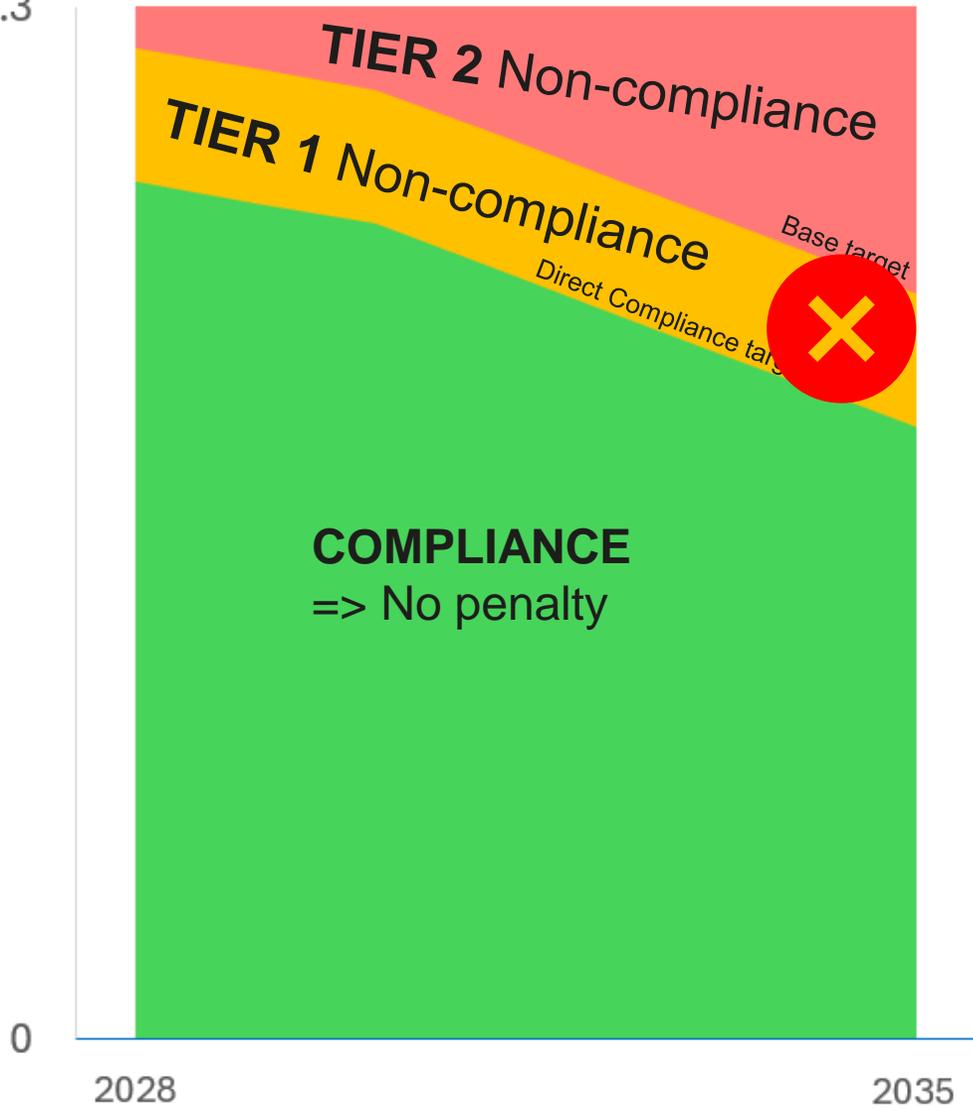
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IMO MID-TERM MEASURE

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IMO MID-TERM MEASURE

GFI

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Gramme CO2 equivalent
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Ship will have to pay both Tier 2 non-compliance and Tier 1 non compliance

- Tier 2 non compliance at 380 USD / tCO2
- Tier 1 non compliance at 100 USD / tCO2

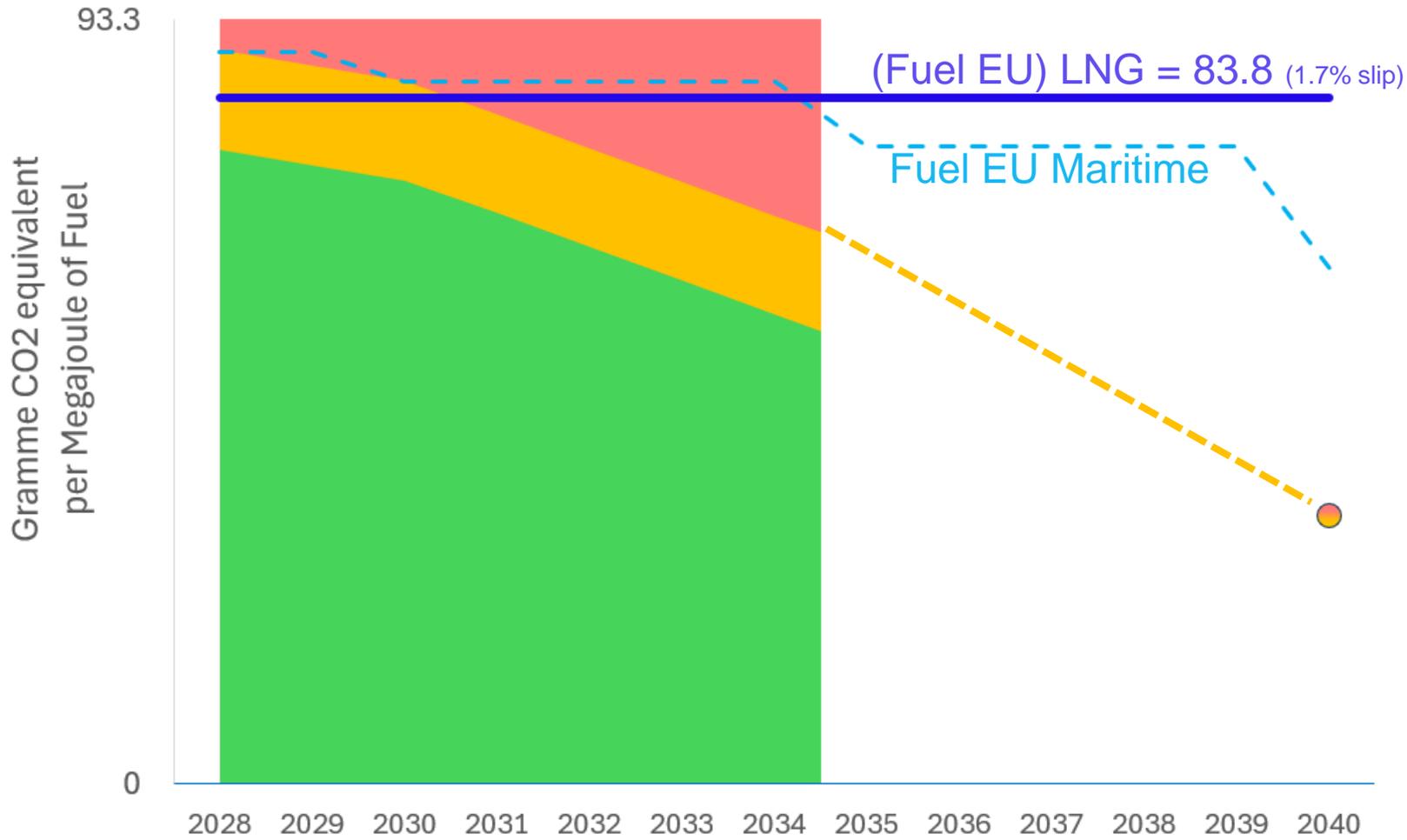
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IMO MID-TERM MEASURE



LNG as Fuel

Fuel EU Maritime

- Fuel EU Maritime is less stringent after 2035
- FuelEU Penalty to be calculated

Stay tuned for Bureau Veritas Impact

Studies

MID TERM GHG MEASURES NEXT STEPS ?

WE ARE
HERE



Adoption
OF AMENDMENTS

Entry Into Force
OF AMENDMENTS

16 months

Amendments
to the
convention

IMO Mid Term GHG Measures

2025

2026

2027

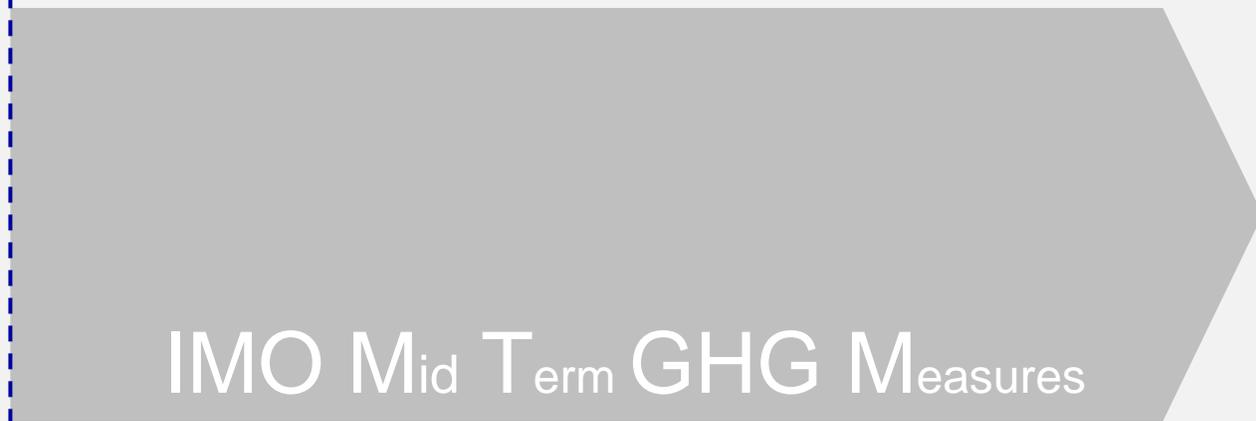
2028

2029

MEPC 83
Spring
2025

MEPC
EXCEPTIONAL
Autumn
2025

March
2027



MID TERM GHG MEASURES NEXT STEPS ?

WE ARE HERE



Adoption OF AMENDMENTS

Entry Into Force OF AMENDMENTS

Amendments to the convention

16 months

Guidelines development



14

new guidelines to be developed / existing guidelines to be amended

IMO Mid Term GHG Measures

2025

2026

2027

2028

2029

MEPC 83
Spring
2025

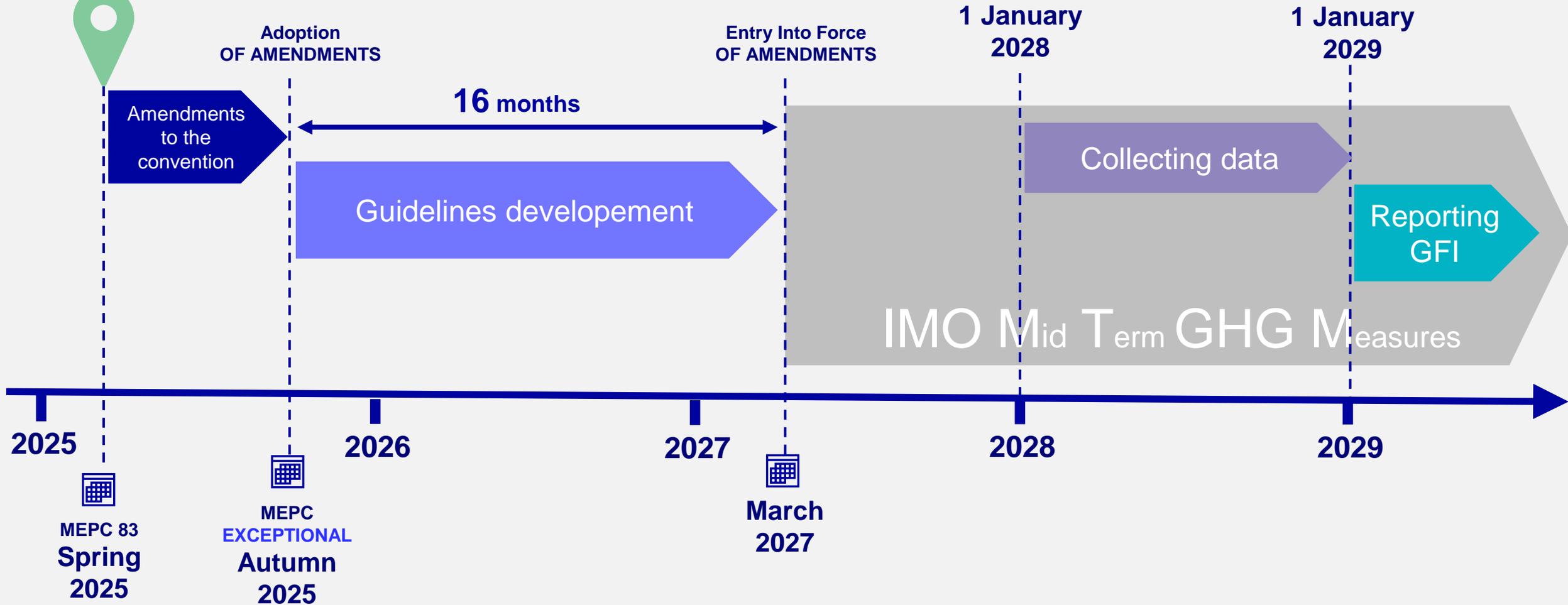
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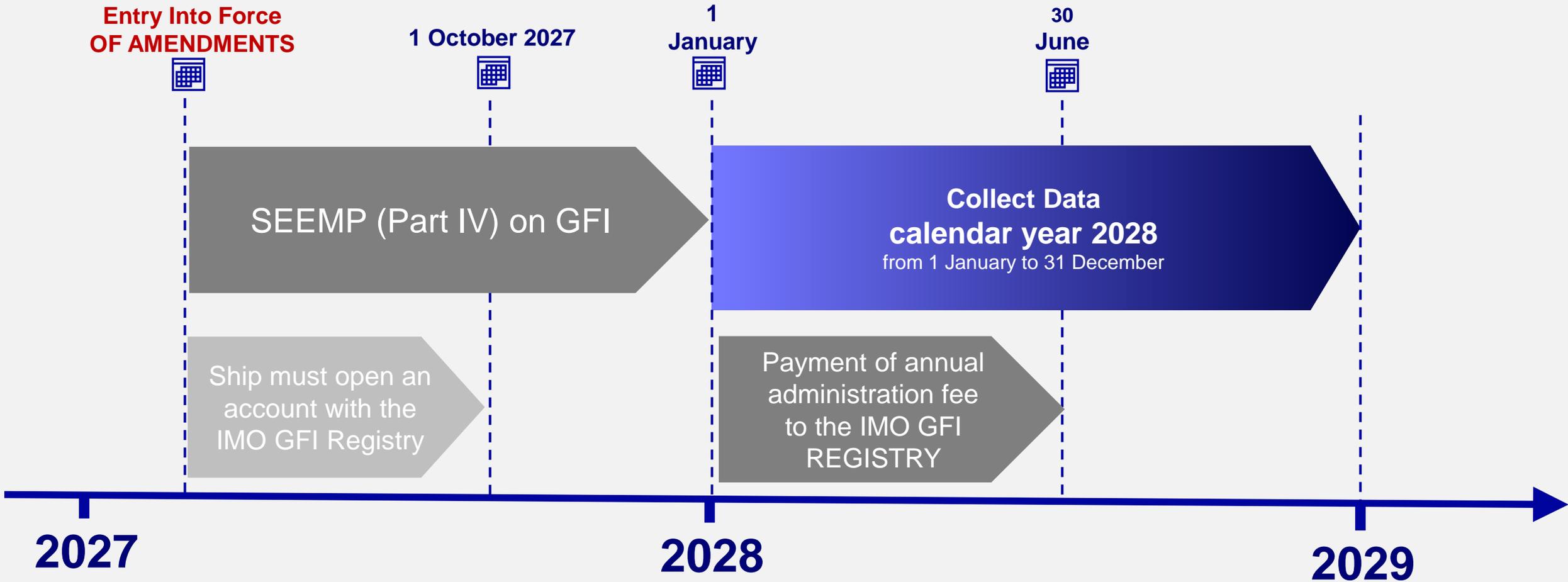


MID TERM GHG MEASURES NEXT STEPS ?

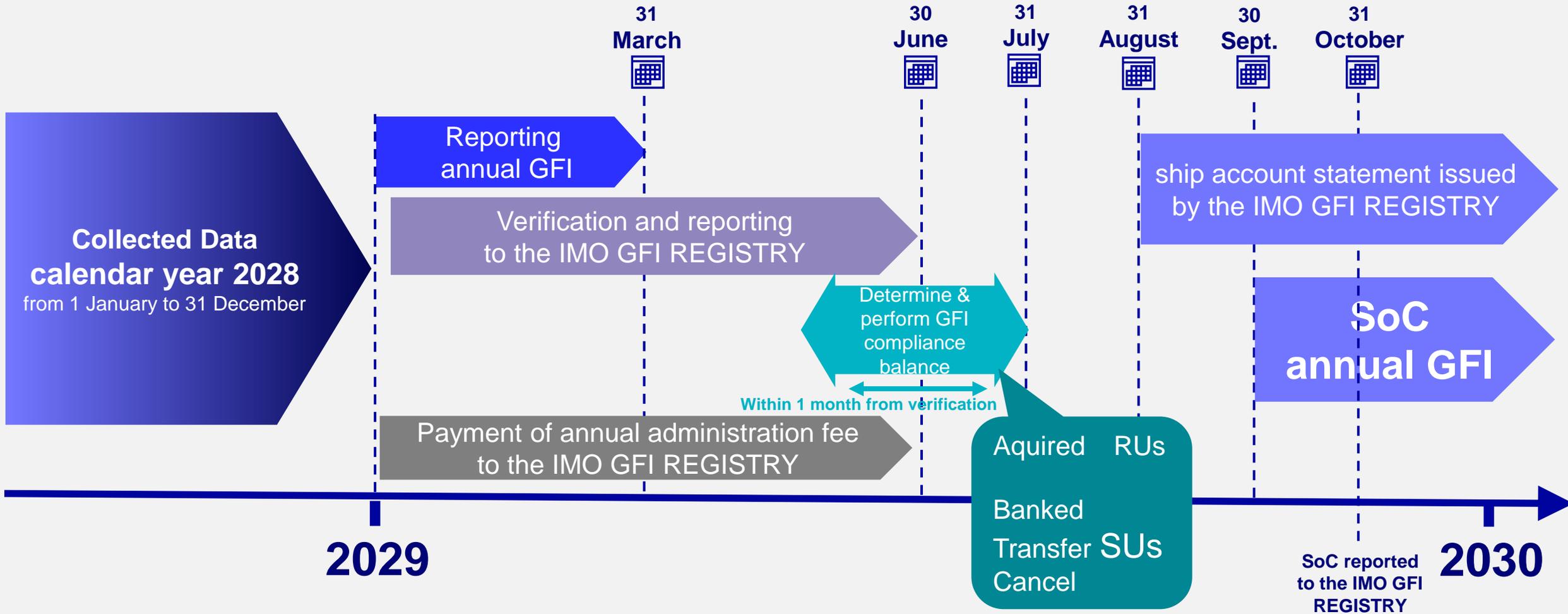
WE ARE
HERE



IMPLEMENTATION TIMELINE FOR REPORTING & VERIFICATION OF THE ANNUAL GFI



IMPLEMENTATION TIMELINE FOR REPORTING & VERIFICATION OF THE ANNUAL GFI



A COMPROMISE ABOVE POLITICAL DIVIDES

Overcoming criticisms

- **TECHNICAL PROGRESS ON SINGAPOUR DRAFT**
 - Well -to-wake basis, international recognition of SFCS
 - Food security, disbursement of revenue (in/out of the sector)
- **POLITICAL EXPECTATIONS**
 - How to integrate the 1,5° strategy ?
 - How to assess the economic impacts?
 - How to extend the visibility for industry ?



**Sveinung Oftedal, Chair of the GHG
Reduction WG**

THREE CAVEATS

The need to consolidate the political agreement

- **ADDRESS THE RESERVATIONS EXPRESSED BY SAUDI ARABIA**
- **OVERCOME THE USA REJECTION OF THE PROCESS**



"For these reasons the U.S. is not engaging in negotiations at the IMO 3rd Marine Environment Protection Committee from 7-11 April and urges your government to reconsider its support for the GHG emissions measures under consideration." (...)

"Should such a blatantly unfair measure go forward, our government will consider reciprocal measures so as to offset any fees charged to U.S. ships and compensate the American people for any other economic harm from any adopted GHG emissions measures."

- **CONVINCE THE PARTIES WHICH ABSTAINED**

Statement made by the delegation of the Kingdom of Saudi Arabia

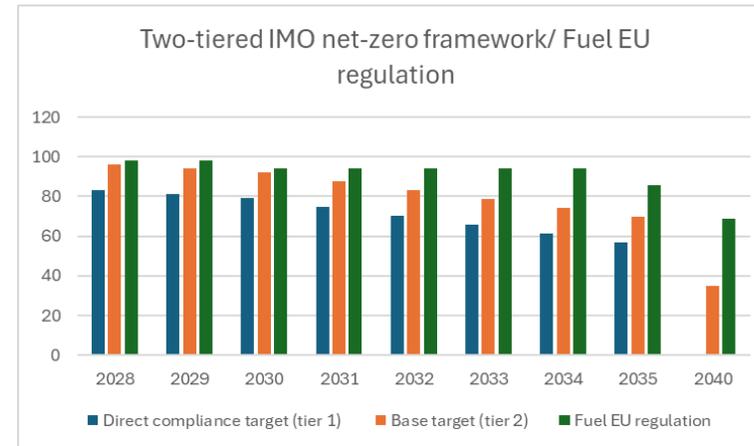
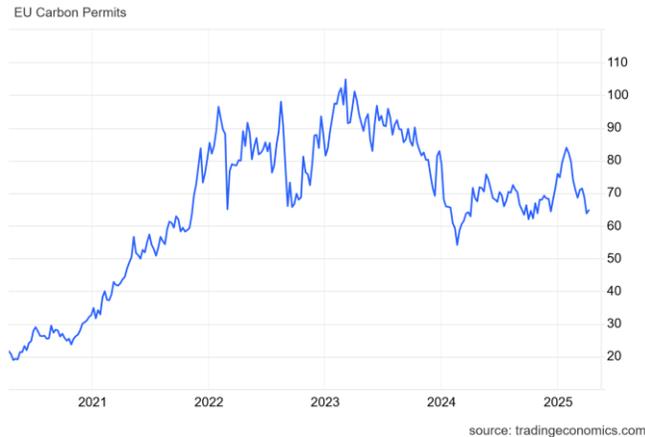
Objection to the Proposed Measure

Kingdom of Saudi Arabia, Kuwait, the State of Qatar, Malaysia, Thailand, Islamic Republic of Iran, Bolivarian Republic of Venezuela, Sultanate of Oman, United Arab Emirates, The Hashemite Kingdom of Jordan, The Arab Republic of Iraq, Kingdom of Bahrain, The Russian Federation, Islamic Republic of Pakistan and the Republic of Yemen.

INTERPLAY EU IMO

IMO challenges Fit for 55 objectives !

- **AMBITION OF THE NET-ZERO FRAMEWORK IS UP TO EU REGULATIONS**



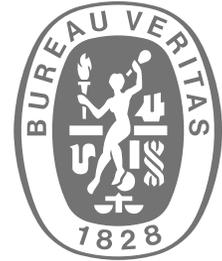
- **WHICH CONSEQUENCE FOR EU FIT FOR 55 ? ALIGNMENT OR ARTICULATION?**

- **2023/1805 (EU) Reg / article 30** : "In the event of the adoption by the IMO of a global GHG fuel standard or global GHG intensity limits for the energy used on board by ships, the Commission shall, without delay, present a report to the European Parliament and to the Council. In that report, the Commission shall examine that global measure as regards its ambition in light of the objectives of the Paris Agreement and its overall environmental integrity. It shall also examine any issue related to the possible articulation or alignment of this Regulation with that global measure, including the need to avoid duplicating regulation of GHG emissions from maritime transport at Union as well as international level."

NEXT STEPS...

IMO has to carry on and consolidate the technical side of the net-zero framework

- **APPEASE THE PARTIES AND GET ADDITIONAL SUPPORTS FOR MEPC/ES2**
- **DEVELOP PROVISIONS AND GUIDELINES TO MAKE THE SYSTEM WORKABLE**
 - ISWG 20 &21 (before MEPC 84)
 - A dense agenda towards EIF (2027)
- **IMO ENTERS AN OVERWHELMING AND NOT-REVERSIBLE PROCESS FOR THE COMING YEARS**

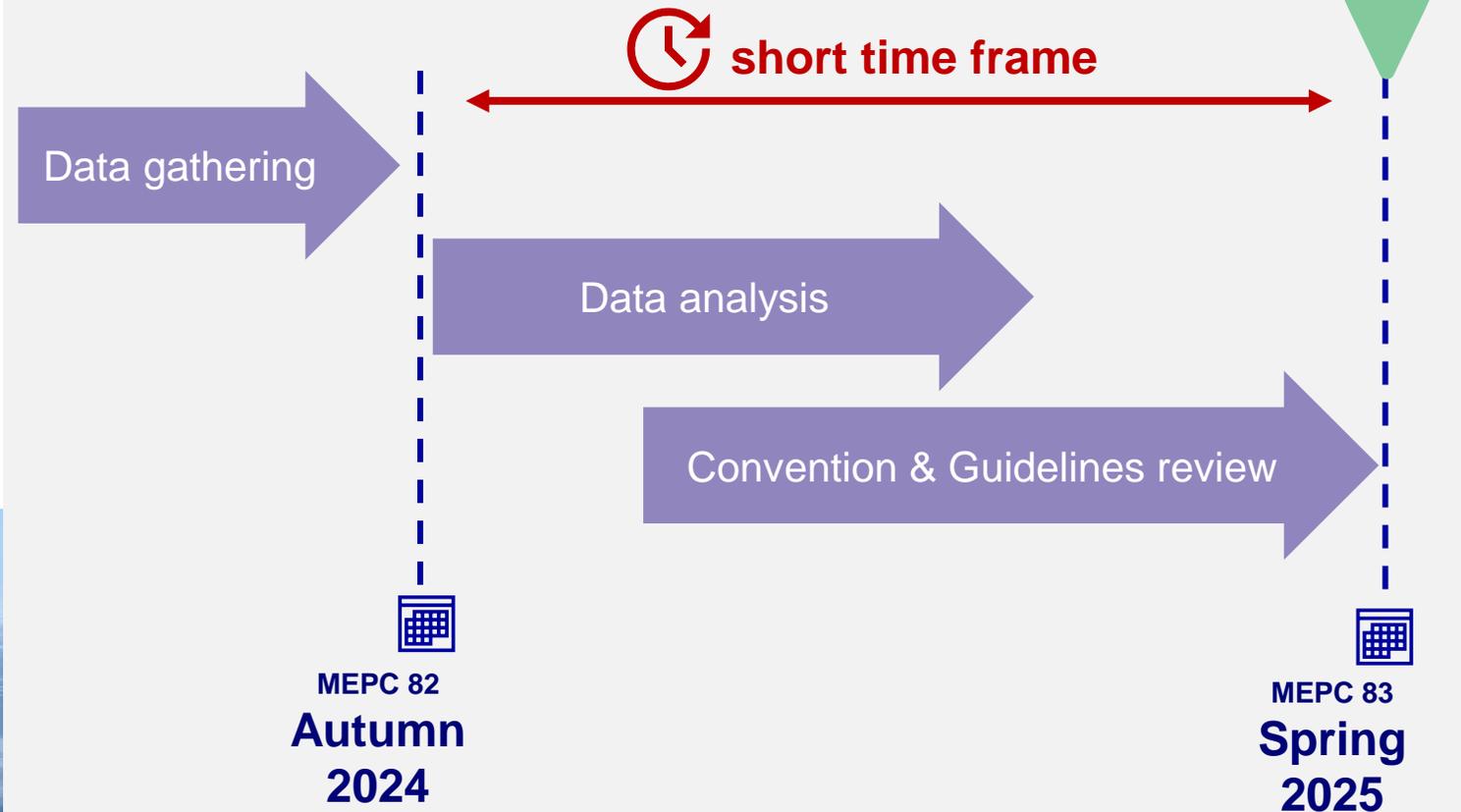


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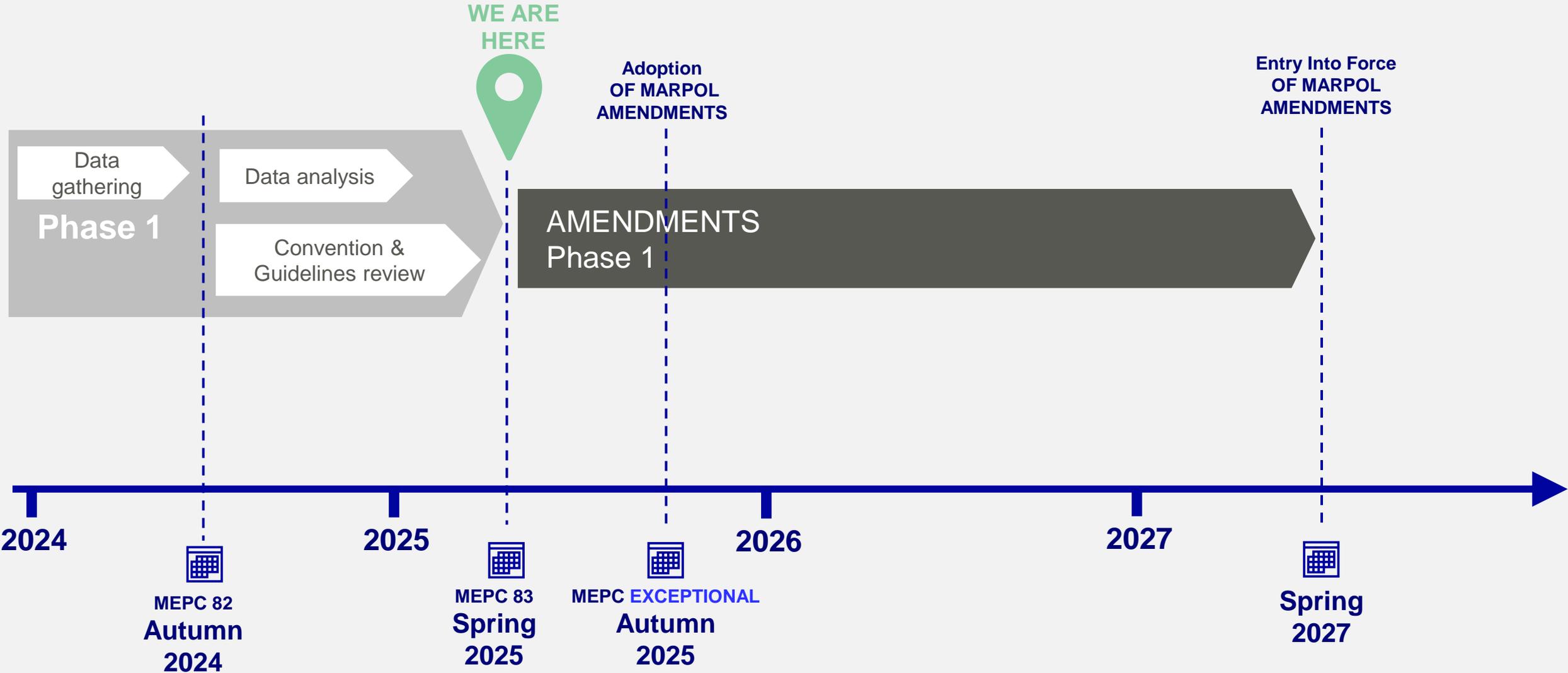
- 01 | GHG REDUCTION
- 02 | **CII/ AP-EE**
- 03 | OTHER ITEMS OF INTEREST

CII REVIEW PLAN Timeline

In accordance with regulations 25.3 and 28.11 of MARPOL Annex VI, a review of the short-term GHG reduction measure shall be conducted **by 1 January 2026**



CII REVIEW PLAN – MEPC 82 **REVISED** TIMELINE



MEPC 83

Phase 1

Which development of draft amendments to existing instruments and/or development new instruments have been completed in Phase 1?



Z factor for 2027-2029?

finalized draft amendments to the CII reduction factors guidelines, G3

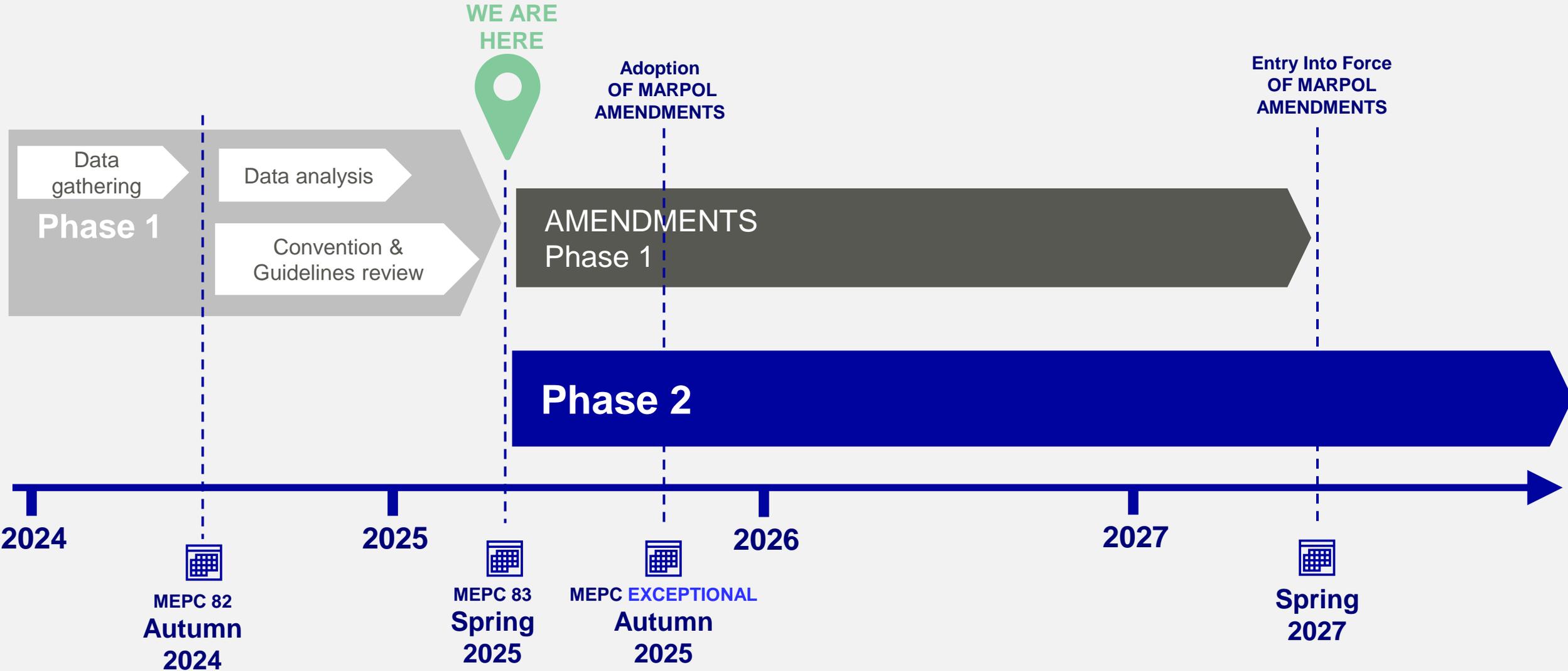
Year	Reduction factor relative to 2019
2023	5%*
2024	7%
2025	9%
2026	11%
2027	** 13.625%
2028	** 16.250%
2029	** 18.875%
2030	** 21.500%



IMO DCS accessibility

Approved Amendments to MARPOL Annex VI on increased accessibility of data for parties/Administrations/ROs

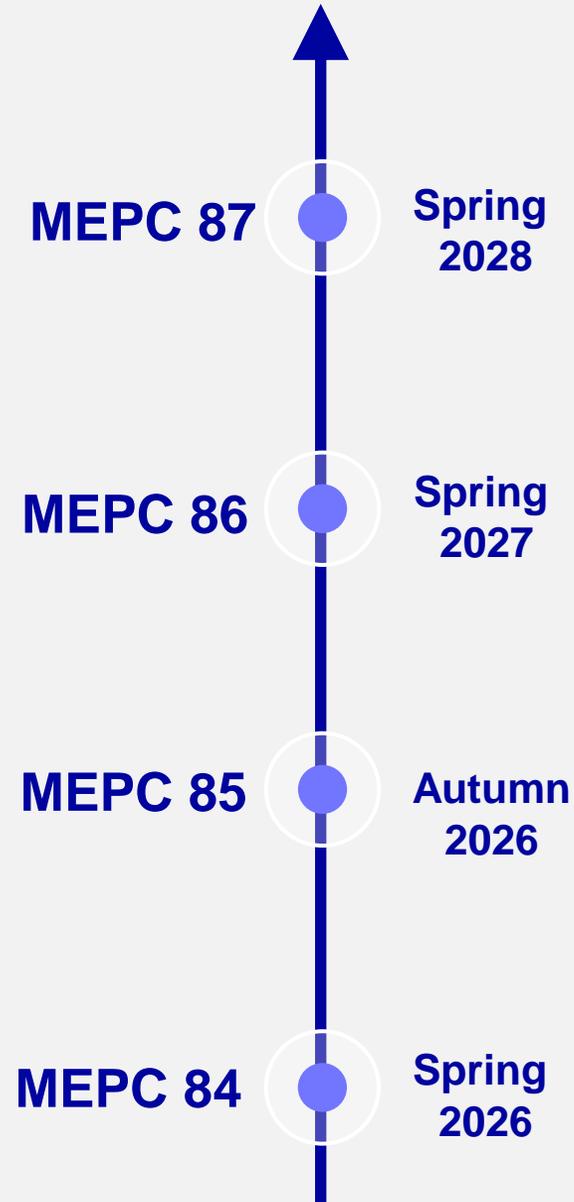
CII REVIEW PLAN – MEPC 82 **REVISED** TIMELINE



AFTER MEPC 83

Phase 2

Approval of the work plan for phase 2 of the review of the short-term GHG reduction measure



Conclusion and finalization of other CII metrics / CII correction factors and/or reference line adjustments

other CII metrics / CII correction factors and/or reference line adjustments

other CII metrics

enhanced SEEMP framework / cgHRS metric for cruise passenger ships

OTHERS Guidelines

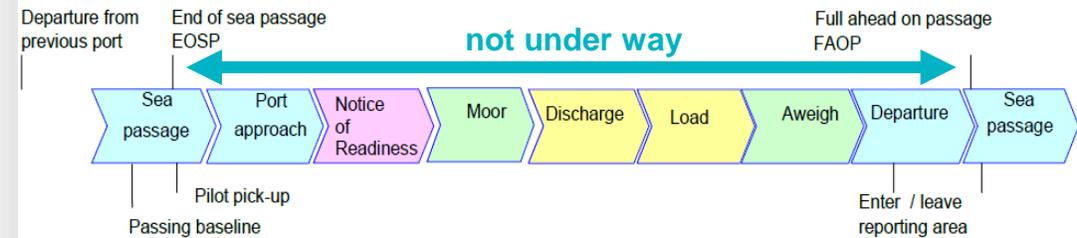


AMENDMENTS TO THE 2024 GUIDELINES FOR THE DEVELOPMENT OF SEEMP



Clarification “**under way**” and “**not under way**”

Figure 3 – Timeline in a transport process



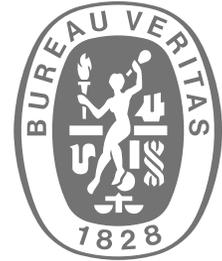
FAL.5/Circ.42/Rev.3



GUIDELINES FOR TEST-BED AND ONBOARD MEASUREMENTS OF METHANE (CH₄) AND/OR NITROUS OXIDE (N₂O) EMISSIONS FROM MARINE DIESEL ENGINES

specify the protocol for test-bed and onboard measurements, calculation and reporting of methane (CH₄) and/or nitrous oxide (N₂O) emission values from marine diesel engines





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- 01 | GHG REDUCTION
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- 03 | **OTHER ITEMS OF INTEREST**

RECYCLING

HONG KONG Convention is coming into force soon !

Among other requirements, Ships destined for dismantling shall only be recycled in authorized ship recycling facilities (SRFs).



**26
JUNE
2025**



INTERPLAY



Transboundary movement of end-of-life ships

INTERPLAY will be considered by **BASEL CONVENTION COP-17** from 28 April to 9 May 2025



UN BASEL CONVENTION



HONG KONG CONVENTION



HKSRC.2/Circ.1 on *Provisional guidance on the implementation of the Hong Kong and Basel Conventions with respect to the transboundary movement of ships intended for recycling*

2025 : AMENDMENT TO NOX TECHNICAL CODE 2008

- REVIEW OF THE NOX TECHNICAL CODE 2008: USE OF MULTIPLE ENGINE OPERATIONAL PROFILES

MEPC 83 adopted amendments to the Nox Technical Code 2008 concerning the use of multiple engine operational profiles for a marine diesel engine, including clarifying engine test cycles.

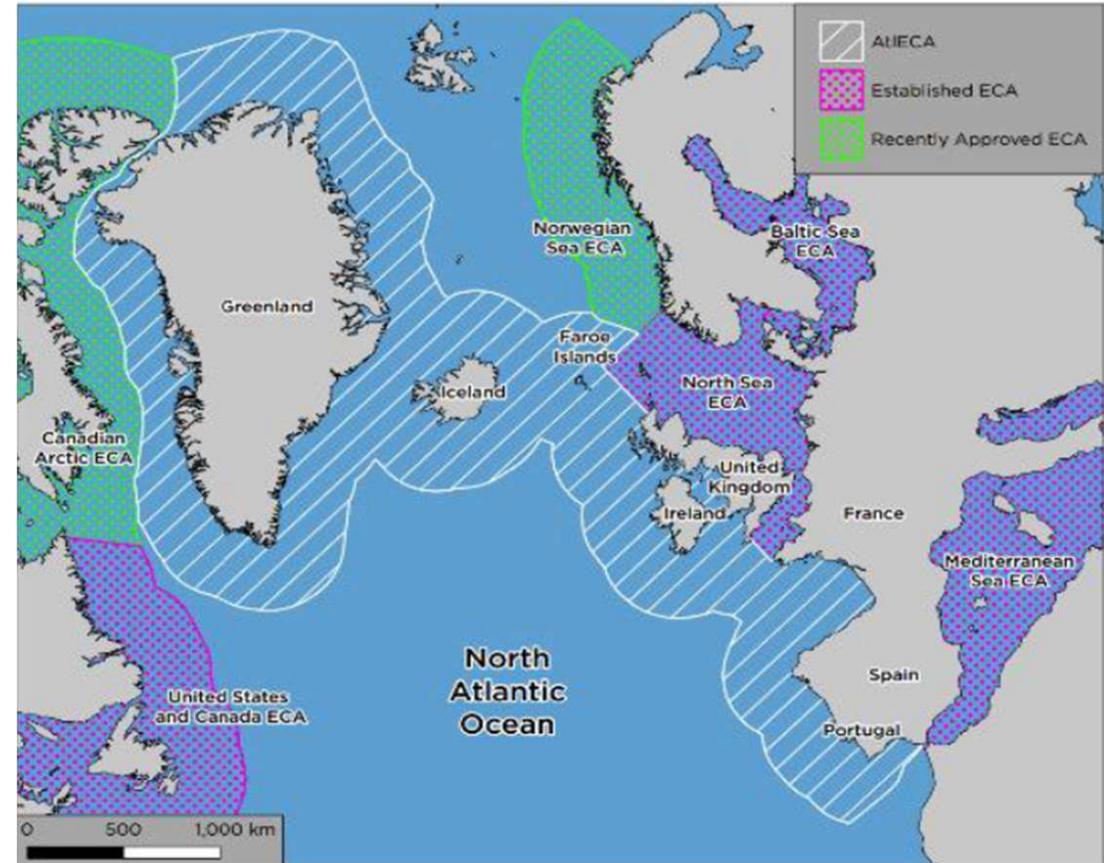
- REVIEW OF THE NOX TECHNICAL CODE 2008: CERTIFICATION OF ENGINES WITH SUBSTANTIAL MODIFICATIONS OR DIFFERENT TIERS



2025 : NORTH –EAST ATLANTIC ECA

North-East Atlantic Ocean Emission Control Area

- Emission Control Area (ECA) for Sulphur Oxides (SO_x), Nitrogen Oxides (NO_x) and Particulate Matter (PM).
- To be adopted at the extraordinary MEPC session in October 2025
- Entry into force in 2027.



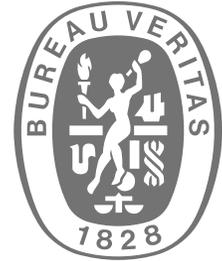
SUB-COMMITTEES REPORTS

- Adoption of PPR 12 outputs
- **Guidance on in-water cleaning of ships' biofouling and the associated draft MEPC circular with the prospect of adopting mandatory requirement (new output);**
- **MEPC circular on Interim guidance on the carriage of blends of biofuels and MARPOL Annex I cargoes by conventional bunker ships (carriage of blends up to 30% biofuel);**
- **2025 Action Plan to Address Marine Plastic Litter from Ships and the updated grouping of continuous actions;**
- **2025 SCR Guidelines and the associated draft MEPC resolution with a view to adoption by MEPC 83;**

<https://marine-offshore.bureauveritas.com/newsroom/pollution-prevention-and-response-sub-committee-12th-session-ppr-12-summary-report>



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QUESTIONS AND ANSWERS



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