



Federal Ministry  
of Transport and  
Digital Infrastructure

# Tension in the choice of fuel: State of play at IMO

an update from MEPC 76

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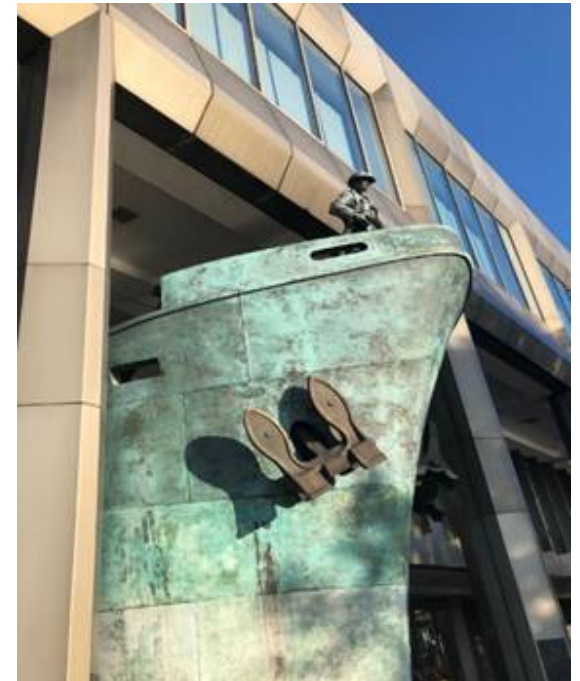
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## AGENDA

- MEPC 76 in a factsheets-shell
- IMO's initial GHG strategy, ambitions and timelines
- MEPC 76 in more detail with focus on “fuel related” issues
  - GHG achievements
  - GHG work for correspondence group
  - Impact Assessment
  - MLTM
- Conclusion







## MEPC 76 in a factsheets-shell



### GHG Topic the overarching theme, dominating the session

- although meeting extended by 1 day and started on Thursday (not as usually on Monday) which left room for the weekend for informal negotiations and possibility to advance things; compared to face-to-face meetings, the meeting time is reduced to **3 hrs** per day only!
- more than **200** Papers submitted to this session and **78** documents were already deferred from last sessions MEPC 75/74
- on GHG (Top 7) **64** papers submitted plus another **25** Inf.-papers
- crucial work on CII correction factors moved into a new Correspondence Group on CII
- only 1 day on adoption of other mandatory instruments (non GHG-topics) and some other technical guidelines could be adopted



## initial IMO GHG - strategy

### Levels of Ambition until 2030:

- reduce the average carbon intensity (CO<sub>2</sub> emissions per transport work) by 40% in 2030;
- peak emissions as soon as possible
- in line with Paris agreed temperature goals

### Clear distinction in time horizons:

#### Short-term 2018 – 2023

- strengthen EEDI & SEEMP
- Energy efficiency indicators
- Speed optimization / reduction
- National Action Plans

#### Mid-term 2023 - 2030

- Energy efficiency measures for new and existing ships, using new indicators
- Carbon pricing / MBM
- Plan for low carbon fuels

#### Long-term 2030 →

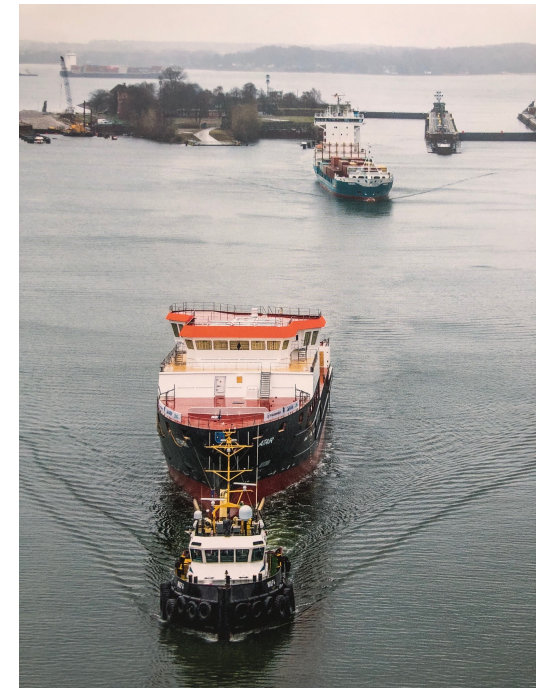
- Development of carbon neutral / zero carbon fuels
- New/innovative emission reduction mechanisms



## MEPC 76 – GHG related achievements

### **adopted regulations and or guidelines, effective as of 1. Jan. 2023**

- EEDI framework extended for existing ships, i.e. **EEXI** as technical short-term measure, incl. related Guidelines
- new CII\* framework for all ships  $\geq 5000$  GT and under same scope as EEDI, incl.:
  - Calculation guidelines (G1)
  - Reference line guidelines (G2)
  - Reduction factor guidelines (G3)
  - Rating guidelines (G4)
- Enhanced SEEMP\*\* requirements for CII ships



\* Carbon Intensity Index

\*\* Ship Energy Efficiency Management Plan



## GHG work for correspondence group



### **final report to MEPC 78 and interim report for next session, MEPC 77**

- SEEMP Guidelines, SEEMP verification and associated “Plan for Corrective Actions”
- Guidelines on possible application of correction factors (could be technical and/or operational)
- data reporting and verification for trial purpose
- issue of ship transfer to a new company / Administration to ensure “annual CII calculation”
- further and outstanding guidelines
- WAPS issues are dealt within an informal group (coordinated by Germany)

Wind Assistant Propulsion Systems



## MEPC 76 on comprehensive Impact Assessment (IA)

### **assessing the Impact on States is part of the Initial Strategy**

- as part of the agreement of the short-term measures, the technical EEXI in combination with the operational measure, the CII, the Committee agreed at MEPC 75 to conduct a “comprehensive Impact Assessment” on (disproportionate) negative impacts on States
- IA was conducted in a constraint time frame and evaluated under an IMO Steering Committee
  - the assessment revealed that for some States (SIDS / LDC’s) impacts may occur
- the request from some Member States for voyage exclusions or exemptions were rejected. However, constant review of impacts is now part of all further negotiations.
- IA will be a “gate keeper” for adoption of further measures





## MEPC 76 on **mid- and long-term measures (MLTM)**

**a “work plan for MLTM” was agreed, allowing immediate start of deliberations**

- MLTM are essential to allow for transition and uptake of low- and zero-carbon fuels, this may include a debate on any market-based measure or any other incentive scheme
- this includes a discussion on **Life-Cycle Assessment** guidelines / possible framework, set on the agenda for ISWG-GHG 9
- another ISWG-GHG 10 scheduled for Oct.2021 on MLTM, even before MEPC 77 (Nov. 2021)
- IA will be a “constant companion”





## Conclusions

- aspiring stakeholders are not satisfied with the MEPC 76 outcome on the level of ambition;
- nevertheless, short term measures (STM) were agreed upon with an impact for the industry:
  1. technically, with the EEXI and
  2. by the operational CII measure
- the adoption of the STM's prepare the ground for the next steps, i.e. on the mid- and long term measures (MLTM)
- MLTM will enable the immediate start of discussion on:
  - market based measures / or other incentive schemes that enable the phase-out of fossil fuels, the work plan calls for a dedicated time horizon
  - LCA framework (or guidelines) within IMO on next ISWG-GHG 9 agenda in Sept.

Thank you for your kind attention!

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