

PRESS RELEASE**STATEMENT BY CESA ON THE DRAFT IMO NET-ZERO FRAMEWORK**

CESA welcomes the draft IMO Net-Zero Framework, emphasizes the importance of its formal adoption during 2025, and supports a swift publication of the implementation guidelines.

CESA welcomes the political agreement reached on the draft IMO Net-Zero Framework and calls for its formal adoption in 2025 as well as a swift development of the implementation guidelines.

Decarbonizing the maritime sector requires a combination of clean energy, energy efficiency, and emission abatement technologies. In this regard, CESA underscores the following key principles:

- The IMO Net-Zero Framework should cover both new and existing ships and reduce investment uncertainty.
- Reward allocation should be based on the amount of GHG emissions avoided. As a core part of the Net-Zero Framework, it must be developed urgently to improve investment certainty of all stakeholders in the maritime sector. The reward must be technology- and fuel-neutral, aligned with the IMO GHG Strategy, and bridge the price gap for ZNZ ships and incentivize both new builds and retrofits using Zero or Near-Zero GHG emission technologies, fuels and energy sources.
- A technology- and energy-neutral strategy enables flexible and effective solutions for achieving net-zero by or around 2050. This neutrality ensures fair competition amongst clean fuels and clean technologies, promotes innovation and offers diverse clean fuel and technology options. It is also essential for shipyards which – as system integrators – rely on equipment and technologies from different maritime manufacturers to make build or retrofit zero and near-zero vessels.
- Adequate funding must be allocated to support a broad 2050 zero and near-zero (ZNZ) energy and technology mix and enable the scaling-up and deployment of ZNZ solutions across shipping.
- Voluntary participation of ships currently outside the Framework's scope would further encourage the development and adoption of ZNZ technologies.

CESA looks forward to continuing contributing to the further work ahead, in line with the proposals it submitted during the Intersessional Working Group (document ISWG-GHG 20/2/5).

CESA is pleased that the IMO Net-Zero Framework will establish a global maritime GHG emissions pricing mechanism for international shipping which will be uniform in application, fostering one global approach to maritime decarbonization.

Providing long-term certainty and predictability is expected to help international shipping invest effectively in reaching net-zero greenhouse gas emissions as soon as feasible. However, while the proposed amendments offer more certainty to the maritime industry and support wider adoption of low-GHG technologies, the sector still lacks enough clarity and certainty for major investment decisions. The Net Zero Framework and its implementation guidelines should therefore be finalized soonest.

CESA asserts that decarbonizing shipping requires clean energy solutions alongside strong support for energy-efficiency and emission-reduction technologies. Wind-assisted propulsion, advanced hull coatings, air lubrication, propulsion upgrades, fuel cells, and onboard carbon capture can substantially cut fuel use and emissions and are complementary to renewable and low-carbon fuels. They help speed up the shift to greener shipping and lessen demand for costly, limited ZNZ during initial deployment. By supporting a broad range of energy-efficient technologies, shipyards can build new vessels that are both innovative and environmentally friendly.

When drafting implementation guidelines, special attention should also be given to the challenges with the retrofiting of existing fleet. Existing ships operate mostly with fossil fuel engines, which are often incompatible with alternative fuels. Retrofitting of existing vessels therefore requires new or modified engines and other time-consuming and costly upgrades.

CESA members are prepared to build and retrofit vessels as well as supply the technologies necessary for swift advancement towards reaching the ambitious goal of climate neutrality by or around 2050.

Background note:

CESA represents the interests of shipbuilding, ship maintenance, repair and conversion shipyards, and maritime equipment providers at the International Maritime Organization (IMO) in London.