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State of play for the IMO's Net-Zero Framework
- Information from the Presidency

State of play for the IMO's Net-Zero Framework

Introduction and purpose of the note

This note provides an update on the state of play following the postponement of the Net-Zero Framework (NZF) at the **extraordinary session of the Marine Environment Protection Committee (MEPC)** of the IMO in October 2025. The European Council conclusions of 23 October 2025 (EUCO 18/25) stress that the EU's contribution to global emission reduction must be ambitious, cost-efficient and consistent with the Union's competitiveness. It also called on the Commission to develop the necessary conditions to support industry and citizens ability to reach the agreed targets.

Political context and outcome of the MEPC extraordinary session

The NZF is the **first comprehensive global regulation** to reduce GHG emissions from international shipping, establishing a pathway towards decarbonisation by 2050 in line with the 2023 IMO Strategy on Reduction of GHG Emissions from Ships and the Paris Agreement.

Following the wide support for NZF at the MEPC meeting in April 2025 and support from major global maritime industry actors, it was expected that the IMO Member States would adopt NZF **in October 2025**. However, the meeting was marked by **geopolitical tensions** and ultimately adjourned following a vote among IMO Member States, postponing the decision on adoption by one year.

As widely reported by media the US exerted **strong political and economic pressure** at the highest level. The draft NZF text was never put to a formal vote, meaning the required **two-thirds majority to adopt** the NZF was not tested. Instead, a procedural motion to postpone was adopted by a small margin: **57 Member States voted in favor of postponement, 49 voted against, 21 abstained, and 10 were not present**.

Key elements for securing adoption of NZF in 2026

In order to succeed with an adoption of NZF in 2026, EU must address the following four issues:

a) Stronger Europe for greater global impact

The EU must demonstrate a unified approach in accordance with the Council Decision of October 2025. The postponement provides an opportunity to **consider the concerns raised** regarding NZF e.g., in the ongoing work on the **technical implementation guidelines**.

By being united, the EU will be stronger and able to move forward on the international scene with its global climate ambitions. This in turn will reinforce the EU's cohesion, credibility and leadership in green shipping. The EU's competitiveness depends on staying ahead in the green transition. Strengthening EU unity will help demonstrate that the green transition of shipping is a source of increased competitiveness and industrial strength for Europe. By advancing the *Sustainable Transport Investment Plan (STIP)* and the *Maritime Industrial Strategy*, the EU can show that global green leadership and economic success go hand in hand — to the benefit of all Member States.

b) Clear communication on the review of the EU ETS

A key factor behind the postponement of the NZF was the **uncertainty among IMO Member States – particularly developing countries – regarding the future of EU regional measures once a global framework was adopted**. Several countries question whether the EU is prepared to **phase out regional instruments**, including the maritime EU ETS, once NZF enters into force.

To restore confidence and strengthen the EU's credibility in the global IMO process outside the EU, the Commission should send a clear signal that the maritime EU ETS will be assessed – in accordance with the ETS-directive, Article 3gg - to avoid double burdens while maintaining environmental integrity, and where appropriate, adjusted or removed to ensure coherence with the future IMO NZF provided it is adopted at its current level of ambition.

c) High-level political outreach

The negotiations in London confirmed that the question of global climate regulation for international shipping is increasingly shaped by **geopolitics, global trade dynamics and foreign relations**. The EU must match the level of political engagement demonstrated by other IMO Member States, and **intensify coordinated high level outreach to partners in Africa, Asia and Latin America**. Such an approach will be critical to restoring trust among third countries, reinforcing EU credibility as a global climate leader, and building the political momentum needed for the adoption of NZF.

d) A growing and more competitive shipping industry

Accelerating the green transition of shipping remains central and is essential for the shipping industry's global competitiveness. *STIP* and the *Maritime Industrial Strategy* are designed to advance the decarbonisation of shipping and promote competitiveness and energy security. The EU is in a unique position to accelerate our own green transition as home to the world's **most advanced and market-leading companies**, giving us the responsibility to lead by example. In order for the EU to play a decisive role in the green transition of shipping, the EU maritime industry must remain competitive. *STIP* and the *Maritime Industrial Strategy* will be key to deliver on green ambitions and competitiveness objectives, enabling large-scale investments in green fuels and technologies.

STIP sets out a strategic blueprint for the green transition across all modes of transport. It aims to accelerate the **production and deployment of green fuels**, close the **price gap between fossil and sustainable alternatives**, and secures **investments** to bring more large-scale projects to market. *STIP* currently mobilises around €2.9 billion. This includes easier access to EU fund programs and dedicated financial mechanisms to bridge the price gap between producers and off-takers and provide long-term investment certainty for green maritime fuels.

The forthcoming *Maritime Industrial Strategy* will build on this foundation by reinforcing Europe's **industrial and technological capacity** to produce and utilise green maritime fuels, fostering innovation, shipbuilding, and infrastructure for alternative energy carriers.

To strengthen the EU's industrial base for clean maritime technologies and to address energy security, unambiguous strategic direction and further action is required to scale up the **production and uptake of green fuels**. *STIP* and the *Maritime Industrial Strategy* will thus be crucial in creating a transparent and competitive framework for businesses and investors. Industry stakeholders have expressed strong support for NZF. To maintain momentum and ensure continued industry backing for shipping's green transition, EU should accelerate and guarantee a rapid and effective implementation of *STIP* and the *Maritime Industrial Strategy* as key enablers of global maritime decarbonisation.