European Union Presidency
Marek Gróbarczyk, Minister of Marine Economy and Inland Navigation

Copy: The European Commission
Apostolos Tzitzikostas, EU Commissioner for Sustainable Transport and Tourism

2 April 2025

Dear Minister Gróbarczyk,

As the International Maritime Organization's (IMO) working group ended its meetings on 1 April, it is still all to play for. However, there is a high risk we will lose a crucial opportunity to lead when the Marine Environment Protection Committee meets next week.

The **EU** continues to have an important role to play. So far, the Union's actions at the IMO appear curious and self-defeating. The EU was an early supporter of a fuel standard and carbon levy, required to kick start the demand for green fuels and maritime decarbonisation.

Recently, however, the EU has backtracked from this leadership. Early in the final IMO negotiations, the EU revealed its willingness to compromise on a decade of commitments to the extent that green fuels are unlikely to be scaled up as required.

The EU, represented by the Polish presidency and the EU Commission, must demonstrate in the coming days that it is not seeking to undermine the IMO's decarbonisation strategy, FuelEU Maritime and the Industrial Clean Deal by lending its powerful votes to a compromise that is likely to result in a fuel standard creating even greater LNG and fossil fuel dominance and a levy and fund in names only.

Countries and groups like the **EU, Brazil and Norway** appear ready to give up their green ambitions for the sake of a compromise, selling out the interests of the poorest nations. This is not the leadership that the majority of countries at the IMO have been asking for. The compromise proposal, otherwise known as J9, appears to form the basis for the conclusion of the working group deliberations.

A compromise based on what the working group chair outlined on 1 April can be made to work if the detail is agreed with integrity and does not undermine the purpose of the endeavour.

A sound outcome, reflecting the intentions behind the IMO, Fuel EUMaritime and the Clean Industrial Deal will require that the EU comes to the negotiating table over the next few days to ensure:
- that zero or near zero carbon fuels are what they say on the tin, with no significant associated emissions;
- that lifecycle assessments for all fuels are genuine, covering all associated emissions along the supply chain, including upstream methane leakage for fossil fuel pathways;
- that rewards for use of zero and near zero fuels are reserved for truly scalable shipping fuels, that is, e-fuels made from green hydrogen produced from renewable electricity (green fuels); and
- that any credit trading is constrained. Otherwise credit trading is likely to undermine the role of the fund, creating volatility. An architecture dominated by credit trading will not create the stable investment environment required.

It is critical that green fuels are rewarded as this is where the biggest challenge in the market currently lies. Other alternate low emission fuels are already significantly incentivized by the Goal-based Fuel Standard and credit trading mechanism. Limiting the rewards to green fuels will also reduce the amount of funds needed in the IMO's net-zero fund.

The litmus test for the IMO is if developers of green fuels next week are sufficiently confident that they can go to their banks asking for the finance required and deciding to go ahead with their large multi-billion-dollar renewable energy projects.

Major infrastructure projects are generally financed requiring visibility of revenue of 20 years or more. To attract financing 7 to 10 years of revenue certainty is a minimum.

Large industry projects have significant lead times, often around ten years, made-up of four to five years of development and three to four years of construction to first production. There are a number of green ammonia and methanol projects around the world already in development, therefore only six years away from production. But this depends on the IMO provides investment clarity now.

It is also important to note that new green energy projects will have a zero marginal cost once operating. The key is to finance the very large capital expenditure at the outset. Once the project is producing the cost of the fuel can remain flat for the next 50 years if necessary, since the energy required is free and not subject to resource volatility and demands from other sectors, unlike LNG.

European political leaders like Poland’s Prime Minister Tusk, President Ursula von der Leyen, her vice president Teresa Ribera and Commissioners Dan Jorgensen and Apostolos Tzitzikostas have repeatedly in recent months reassured us that they are holding the course towards European decarbonisation. Economic growth lies in the energy transition, not through compromises which result in fossil fuels continuing unconstrained.

We hope the EU negotiation team will argue for a strong outcome in line with the goals outlined in this letter at the IMO meetings over the next few days.

Sincerely,

Jonas Moberg

CEO
Green Hydrogen Organisation

GH2 Green Hydrogen Organisation

The Green Hydrogen Organisation, is the international not profit working for the accelerated responsible production and use of large-scale renewable energy and green hydrogen. Co-founder of the Global Renewables Alliance, GH2 has long worked with renewable and green fuel suppliers, think-tanks and others on how the International Maritime Organization can deliver on its decarbonisation strategy. Working together with companies such as Adani, AM Green, CWP, Fortescue and ReNew, holding some of the world's largest plans for green fuels, it published Green Fuel Producers are Ready to Provide 10% of Marine Fuels by 2030 | Green Hydrogen Organisation and the Weekly Wrap Are we heading towards shipping leadership on climate or fossil-fuel lock-in? | Green Hydrogen Organisation in March 2025.