

International Liability and Compensation System for alternative fuels

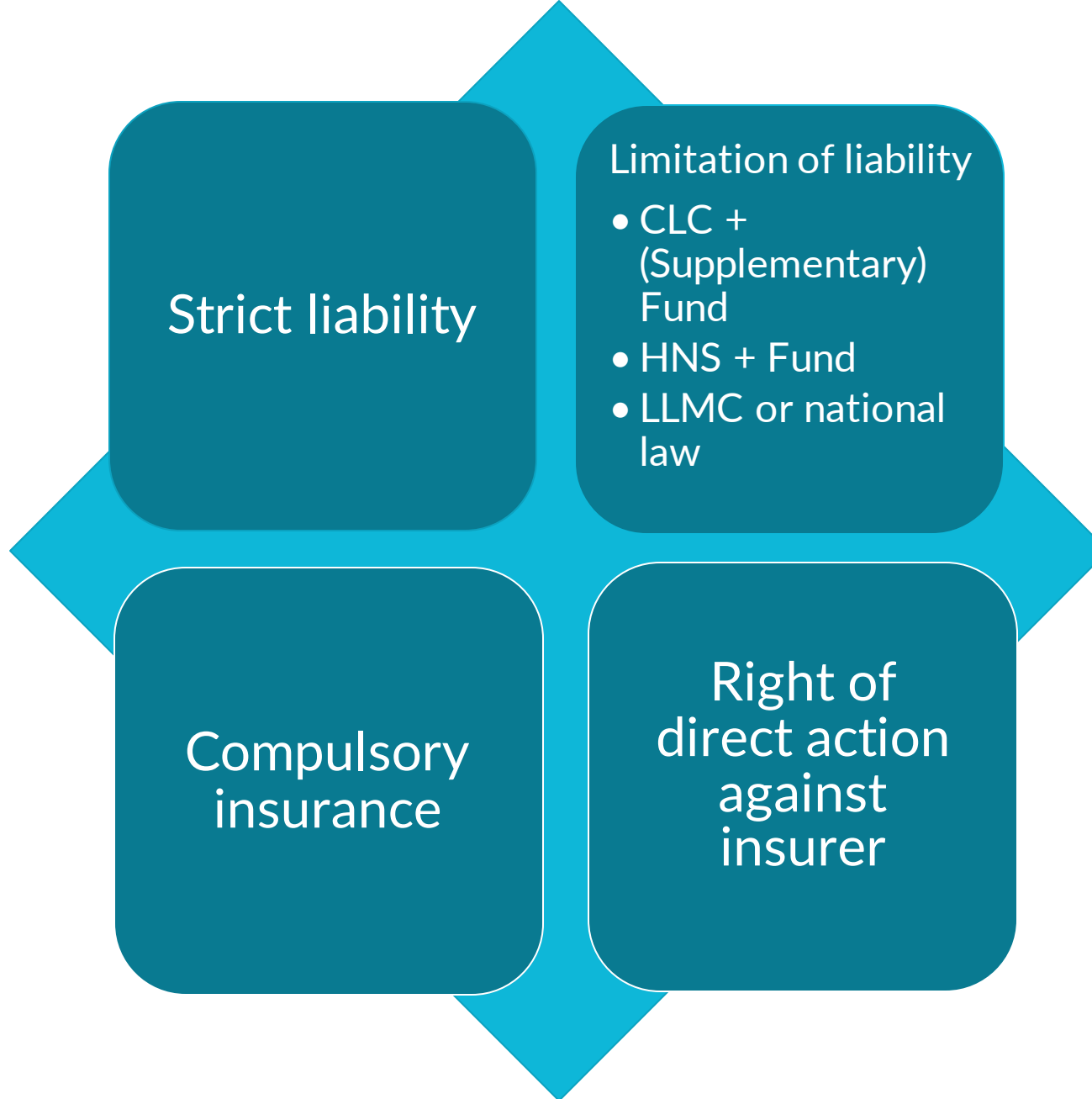
CMI IWG on Maritime Decarbonisation – Green Fuels

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CMI Gothenburg 2024

- ➔ No International civil liability and compensation regime for incidents involving alternative fuels
 - ➔ Alternative fuels are no hydrocarbons in the meaning
 - ➔ CLC + Fund: 122 ratifications
 - ➔ Bunker Pollution Convention: 100 ratifications
- ➔ HNS would only cover alternative fuels carried as cargo
 - ➔ Not yet in force
 - ➔ 12 ratifications only required



Strong drivers for Alternative Fuels



IMO

- * 2050 net zero
- * checkpoints for 2030 (30% reduction compared to 2008) and 2040 (70-80%)
- * MBM (if adopted in Oct '25)

IMO and Fuel EU Maritime:

Uptake of (near) zero GHG emission technologies, fuels and/or energy sources of at least 5-10%, of the energy used by international shipping by 2030

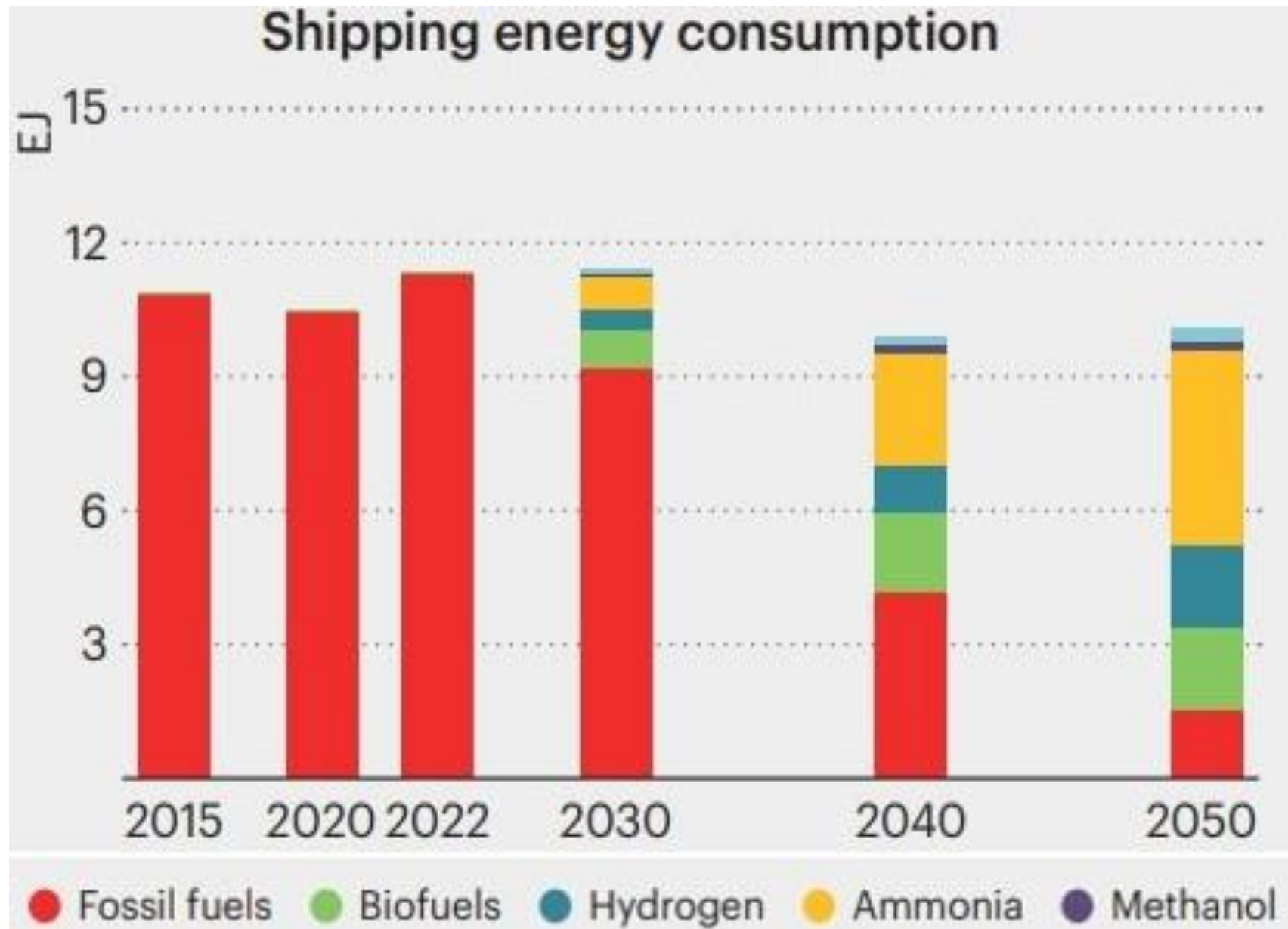


FUEL EU Maritime

Reduction of GHG intensity of energy



Customer driven uptake



Recommendation CMI IWG

- [Göteborg-discussion-paper-Green-Fuels-1.pdf](#):
- “There is a need for an **international discussion** on the necessity for a legal regime to deal with civil liability and compensation in case of an incident involving alternative fuels, either carried on board vessels as cargo or to be used as fuel.”

IWG's two main focus points

- i. Raising awareness of the identified liability and compensation gap, and the need for action at international level to close this gap; and
- ii. Providing output on specific aspects that may be helpful for the creation of an international regime



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INTERNATIONAL
MARITIME
ORGANIZATION

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LEGAL COMMITTEE
112th session
Agenda item 13

LEG 112/13/2
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WORK PROGRAMME

**Proposal to add a new output on the work programme on the suitability of
IMO liability and compensation regimes with respect to alternative fuels**

**Submitted by Antigua and Barbuda, Australia, Belgium, Canada, Denmark, Fiji, France,
Germany, Netherlands (Kingdom of the), New Zealand, Norway, Solomon Islands,
Spain, Tuvalu, Comité Maritime International (CMI) and International Group of
Protection and Indemnity Associations (P & I Clubs)**

Proposal that the IMO Legal Committee

- i. undertakes an analysis of the CLC, HNS and Bunker Pollution Convention to assess their current suitability for responding to claims for injury, pollution or damage (including positive and negative aspects) following an incident arising from, or related to, use of alternative fuels;
- ii. if none of the Conventions are currently suitable, (...) to **recommend the characteristics of a liability and compensation regime** (...); and
- iii. to identify and recommend the most suitable mechanism to provide the required characteristics, including by amending a current instrument or developing a new one.

IMO pathway

- Proposal accepted on 25 March 2025
- If adopted it will be placed on the work programme of the IMO Legal Committee in the next biennium (2026-2027)
- An informal correspondence group on the subject is to be formed, so work is started soonest
- CMI has offered its assistance in a separate paper (LEG 112/13/2)

IMO pathway

- IMO MEPC 83: **IMO Net-zero Framework** agreed, i.e. the first in the world to combine mandatory emissions limits and GHG pricing across an entire industry
 - MARPOL Annex VI
 - currently 108 Parties, covering 97% of the world's merchant shipping fleet by tonnage
 - Part of the revenues are intended to be circulated back to the industry as support for using zero and near-zero, fuels and/or energy sources

MEPC placeholder?

- ➔ Might the IMO fund from the mid-term measures be an appropriate source of financing for a second-tier fund for any future liability and compensation regime for alternative fuels?

Thank **you**



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