

## CII WAY FORWARD TO ADDRESS CHALLENGES/GAPS IN THE SHORT-TERM GHG REDUCTION MEASURE

The goal of the revised short-term GHG reduction measure is to achieve the levels of ambition of the 2023 IMO GHG Strategy, including to reduce CO<sub>2</sub> emissions per transport work, as an average across international shipping, by at least 40% by 2030, compared to 2008.

The identification of possible challenges/gaps is based on documents MEPC 82/6 and the update of the initial analysis of available data and proposals to be considered during the review of the short-term GHG reduction measure set out in annex 4, as well as other documents considered by the Group and comments made.

The identified challenges/gaps should be considered. Following the consideration, some may be addressed before 1 January 2026 (phase 1), while some others may be extended after 1 January 2026 (phase 2).

Any correction factors and voyage adjustments should be assessed using the assessment criteria set out in document MEPC 76/7/23 (France) as a guidance, i.e.: policy justification, accuracy, applicability, and capacity to assess their effects.

The following criteria, inter alia, are applied to determine whether the identified challenge/gap may be addressed within phase 1 or phase 2: i) whether or not the challenge/gap necessitates thorough data analysis; ii) whether or not the possible options to address the challenge/gap may conflict with the mid-term measures under development; and iii) whether or not the challenge/gap needs to be urgently addressed.

#	Challenge / gap	Relevant documents	Indicative time frame (Phase 1 or 2)	Possible options to address the identified challenge / gap (to be further elaborated in the Correspondence Group)
1	CII does not allow for robust individual ship-based assessment of operational energy efficiency performance	MEPC 80/INF.20 (IACS), MEPC 82/6/16 (WSC), MEPC 82/6/20 and MEPC 82/6/22 (RINA) and MEPC 82/INF.25 (Secretariat)	1	<ul style="list-style-type: none"> <li>- Enhancement of the SEEMP framework</li> <li>- Other</li> </ul>

#	Challenge / gap	Relevant documents	Indicative time frame (Phase 1 or 2)	Possible options to address the identified challenge / gap (to be further elaborated in the Correspondence Group)
2	CII reduction (Z) factor is not defined for the years 2027-2030	MEPC 81/6/18 (WWF et al.), MEPC 82/6/17 (Austria et al.) and MEPC 82/6/42 (CSC)	1	<ul style="list-style-type: none"> <li>- Revision of the Z factor</li> <li>- Other</li> </ul>
3	CII calculation might penalize idle time and port waiting time	<p>MEPC 75/7/8 (<b>IPTA</b>), MEPC 76/7/36 (<b>IPTA</b>), MEPC 77/7/14 (Norway), ISWG-GHG 12/2/1 (BIMCO et al), ISWG-GHG 12/2/2 (<b>IPTA</b> et al.), ISWG-GHG 12/2/3 (Malaysia et al.), ISWG-GHG 12/2/7 (CLIA), MEPC 78/7/22 (India), MEPC 78/7/23 (Panama et al.), MEPC 79/7/13 (Bahamas et al), MEPC 79/INF.19 (INTERCARGO), MEPC 81/INF.27, MEPC 81/INF.29 and MEPC 81/INF.30 (INTERCARGO), MEPC 82/6/2 (ICS), MEPC 82/6/3 (SIGTTO), MEPC 82/6/11 (ICS), MEPC 82/6/20 (RINA), MEPC 82/6/27 (INTERCARGO), MEPC 82/6/31 (Brazil et al.), MEPC 82/6/35 (China) MEPC 82/6/39 (Brazil and India), MEPC 82/INF.10 (SIGTTO) MEPC 82/INF.38 and MEPC 82/INF.39 (INTERCARGO) MEPC 82/6/8 UAE and <b>IPTA</b></p>	1 and 2	<ul style="list-style-type: none"> <li>- Improvement of the CII metric(s)</li> <li>- Correction factor for e.g. drydocking, port waiting time, time at anchor</li> <li>- Voyage adjustment for port waiting time</li> <li>- Revision of the CII reference lines (CII<sub>R</sub>) (e.g. excluding ships' emissions at idle periods)</li> <li>- Maintain current enforcement mechanism</li> <li>- Other</li> </ul>
4	CII calculation might penalize short voyages	<p>ISWG-GHG 12/2/3 (Malaysia et al.), ISWG-GHG-12/2/6 (Liberia), MEPC 79/7/13 (Bahamas et al.), MEPC 79/INF.19 (INTERCARGO) MEPC 81/INF.27, MEPC 81/INF.28 (INTERCARGO), MEPC 82/6/4 (INTERTANKO), MEPC 82/6/9 (IBIA) MEPC 82/6/5 (INTERTANKO), MEPC 82/6/28 (INTERTANKO) MEPC 82/INF.48 (Antigua and Barbuda et al.)</p>	1 and 2	<ul style="list-style-type: none"> <li>- Improvement of the CII metric(s)</li> <li>- Correction factor</li> <li>- Revision of the reference lines (e.g. for small-scale liquefied gas carriers and LNG carriers below 65,000 DWT)</li> <li>- Maintain current enforcement mechanism</li> <li>- Other</li> </ul>

#	Challenge / gap	Relevant documents	Indicative time frame (Phase 1 or 2)	Possible options to address the identified challenge / gap (to be further elaborated in the Correspondence Group)
5	CII calculation might penalize cruise passenger ships spending significant periods of time in port	ISWG-GHG 12/2/7 (CLIA), MEPC 78/7/23 (Panama et al.), MEPC 79/7/21 (Marshall Islands et al.), MEPC 80/INF.34 (CLIA), MEPC 82/6/7 (CLIA) and MEPC 82/INF.12 (SYBAss)	1 and 2	<ul style="list-style-type: none"> <li>- Improvement of the CII metric: cgHRS</li> <li>- Revision of the CII reference lines for cruise passenger ships</li> <li>- Maintain current enforcement mechanism</li> <li>- Other</li> </ul>
6	CII enforcement mechanism does not provide sufficient incentive to behaviour change	MEPC 81/INF.22 (Republic of Korea), MEPC 81/6/13 (RINA), MEPC 82/6/29 (IAPH) and MEPC 82/6/33 (China)	1 and 2	<ul style="list-style-type: none"> <li>- Enhancement of the enforcement mechanism for CII</li> <li>- Improvement of the CII metric(s)</li> <li>- Other</li> </ul>
7	CII does not sufficiently incentivize port call efficiency and solutions such as just-in-time (JIT) arrival of ships	MEPC 82/6/2 (ICS), MEPC 82/INF.26 (Republic of Korea and Pacific Environment) and MEPC 82/INF.32 (BIMCO)	1 and 2	<ul style="list-style-type: none"> <li>- Improvement of the CII metric(s)</li> <li>- Revision of the CII reference lines (CII<sub>R</sub>)</li> <li>- Other</li> </ul>
8	CII ratings and DCS data are not accessible for analysis beyond Parties to MARPOL Annex VI	MEPC 82/6/26 (EDF)	1 and 2	<ul style="list-style-type: none"> <li>- Provide anonymous, disaggregated ship-level DCS data to all delegations participating in the review of the short-term measure</li> <li>- Other</li> </ul>
9	CII calculation might penalize self-unloading bulk carriers	MEPC 79/7/27 (ICS and INTERCARGO), MEPC 76/7/43 (INTERCARGO), MEPC 82/6/12 (ICS and INTERCARGO)	2	<ul style="list-style-type: none"> <li>- Development of a dedicated reference line</li> <li>- Maintain current enforcement mechanism</li> <li>- Other</li> </ul>
10	CII calculation might penalize geared bulk carriers	MEPC 80/6/3 (Liberia) and MEPC 82/6/34 (China)	2	<ul style="list-style-type: none"> <li>- Correction factor</li> <li>- Revision of the CII reference lines (CII<sub>R</sub>)</li> <li>- Other</li> </ul>

#	Challenge / gap	Relevant documents	Indicative time frame (Phase 1 or 2)	Possible options to address the identified challenge / gap (to be further elaborated in the Correspondence Group)
11	CII calculation might penalize ships navigating in adverse weather	ISWG-GHG 12/2/2 (IPTA et al.), ISWG-GHG 12/2/3 (Malaysia et al.), ISWG-GHG 12/2/4 (Malaysia et al.)	2	<ul style="list-style-type: none"> <li>- Correction factor</li> <li>- Revision of the CII reference lines (CII<sub>R</sub>)</li> <li>- Maintain current enforcement mechanism</li> <li>- Other</li> </ul>
12	CII calculation might penalize ships using bow thrusters	MEPC 82/6/11 (ICS)	2	<ul style="list-style-type: none"> <li>- Correction factor</li> <li>- Revision of the CII reference lines (CII<sub>R</sub>)</li> <li>- Maintain current enforcement mechanism</li> <li>- Other</li> </ul>
13	CII calculation might impact ballast voyages	MEPC 77/7/14 (Norway), MEPC 80/INF.28 (Republic of Korea), MEPC 81/INF.31, MEPC 81/INF.32 (INTERCARGO) and MEPC 82/6/36 (Argentina et al.)	2	<ul style="list-style-type: none"> <li>- Improvement of the CII metric: EEOI</li> <li>- Retain AER/cgDIST</li> <li>- Revision of the CII reference lines (CII<sub>R</sub>)</li> <li>- Maintain current enforcement mechanism</li> <li>- Other</li> </ul>
14	CII calculation might penalize ships equipped with inert gas generator	MEPC 80/6/5 (India)	2	<ul style="list-style-type: none"> <li>- Correction factors for specific ship types: tankers</li> <li>- Revision of the CII reference lines (CII<sub>R</sub>)</li> <li>- Maintain current enforcement mechanism</li> <li>- Other</li> </ul>
15	CII might penalize ships carrying refrigerated cargo below deck	MEPC 79/7/15 (Bahamas and ICS)	2	<ul style="list-style-type: none"> <li>- Correction factors for specific ship types: refrigerated cargo carriers</li> <li>- Revision of the CII reference lines (CII<sub>R</sub>)</li> <li>- Maintain current enforcement mechanism</li> <li>- Other</li> </ul>

#	Challenge / gap	Relevant documents	Indicative time frame (Phase 1 or 2)	Possible options to address the identified challenge / gap (to be further elaborated in the Correspondence Group)
16	CII calculation might penalize steam driven LNG carriers compared to engine driven LNG carriers	MEPC 79/7/1 (INTERTANKO) and MEPC 79/7/2 (INTERTANKO), ISWG-GHG 12/2/3 (Malaysia et al.), MEPC 78/7/16 (ICS and INTERTANKO), MEPC 79/7/2 (INTERTANKO), MEPC 81/6/17 (India), MEPC 82/6/3 (SIGTTO), MEPC 82/6/30 (Liberia), MEPC 82/INF.10 (SIGTTO) and MEPC 82/INF.45 (Liberia)	2	<ul style="list-style-type: none"> <li>- Correction factor</li> <li>- Revision of the CII reference lines (CII<sub>R</sub>)</li> <li>- Recalculation of CII reference lines</li> <li>- Maintain current enforcement mechanism</li> <li>- Other</li> </ul>
17	CII calculation might penalize ro-ro cargo and ro-ro passenger ships	MEPC 81/6/15 (INTERFERRY)	2	<ul style="list-style-type: none"> <li>- Improvement of the CII metric</li> <li>- Correction factor</li> <li>- Revision of the CII reference lines (CII<sub>R</sub>)</li> <li>- Maintain current enforcement mechanism</li> <li>- Other</li> </ul>
18	CII reference line does not accurately reflect smaller LNG carriers	MEPC 82/6/3 and MEPC 82/INF.10 (SIGTTO)	2	<ul style="list-style-type: none"> <li>- Exemptions for certain ship types</li> <li>- Revision of the CII reference lines (CII<sub>R</sub>)</li> <li>- Maintain current enforcement mechanism</li> <li>- Other</li> </ul>
19	CII might overlap with the basket of mid-term measures	MEPC 81/6/18 (WWF et al.), MEPC 82/6/42 (CSC) and MEPC 82/6/21 (RINA)	2	<ul style="list-style-type: none"> <li>- Replace the current CII metric by an energy-based CII metric (in MJ/tonne.nm)</li> <li>- Other</li> </ul>
20	CII does not address fuel emissions on their full life cycle	ISWG-GHG 16/5 (EDF) and MEPC 82/6/16 (WSC)	2	<ul style="list-style-type: none"> <li>- Include a reference to the LCA Guidelines in the CII calculation formula</li> <li>- Other</li> </ul>
21	CII does not allow for pooling	ISWG-GHG 12/2/2 (IPTA et al.), MEPC 79/7/1 (INTERTANKO), MEPC 82/6/24 (INTERFERRY) and MEPC 82/6/41 (CLIA)	2	<ul style="list-style-type: none"> <li>- Develop a fleet-based CII calculation framework</li> <li>- Other</li> </ul>