



Danish
Shipowners'
Association



Ministry of Environment and Food
The Danish Environmental Protection Agency



Sustainable Shipping

Achieving sustainable ship recycling
Effective Sulphur compliance and enforcement

Key messages from working group discussions

5 October 2015, 9:00 to 16:00 at the Danish Shipowners' Association.

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Ship Recycling 1

Until full ratification of the Hong Kong Convention

- How is it ensured that the principles and standards of the Hong Kong Convention are followed in the period until the convention is ratified, and which requirements and challenges do you see for the ship owners and the authorities?
- How can Hong Kong Convention compliance be ensured through cooperation with ship recycling facilities in third world countries?

Key messages from participants

- Ship owner initiatives needed
- Voluntary initiatives needed
- Economic incentives could be an idea
- Support from local government/authorities is important
- Partnerships - government, ship owners, yards

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Ship Recycling 2

What is Sustainable ship recycling?

- What does it imply and what should be considered during the preparations (selection of facility, contract etc.) and during the recycling process?

Key messages from participants

- Regulation is the starting point
- Life cycle approach
- Adequate health and safety facilities
- Environmental performance must be ensured
- Ship owners have operational responsibilities – IHM etc. and a cradle to cradle approach
- Cooperation between yard, ship owners and authorities
- EU Com.: The ship it self can potentially be considered a built structure
- Questions raised on adequacy of ship as sufficient built structure
- Re-use principle can be problematic due to poor quality of steel from old ships (e.g. in construction)

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Ship Recycling 3

The use of IHM

- A comprehensive and correct IHM is required to ensure sustainable ship recycling – how do we ensure a wider acceptance and an early implementation of the IHM?

Key messages from participants

- Establish communication to ship owners on timeline for IHM requirements
- Incentives: Discount schemes in ports, awards
- Ship owners reluctant to use IHM because of the risk of finding asbestos in newer ships despite the ban on asbestos
- Approx. 60 % of world fleet will need EU-IHM from 2020 – this should be communicated to ship owners
- EMSA communication in 2016 on EU vs HKC IHMs
- Ship owners should make sure to have an IHM – and yards need to use them
- Large percentage of ships arrive at yards without IHM – makes sustainable recycling very difficult

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Ship Recycling 4

EU regulation on ship recycling

- How will implementation of the EU regulation on ship recycling change the global conditions on occupational health and the environment conditions at the worlds recycling facilities, and will the role of the Cash Buyer change?

Key messages from participants

- EU list of facilities should be publically available
- Time will tell if there will be re-flagging (out of the EU)
- Effect will be different between ship owners/ship types
- Incentives can be part of solution – awards etc.
- List is an open document – always open to additions
- HKC vs EU – blame game taking place → little ratification
- International initiatives needed for ships not calling EU ports
- CSR considerations can be easier when using approved yards
- Consider how financing of yard upgrades can ensured

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Sulphur 1

International cooperation on enforcement

- What would be an effective IMO mechanism to support enforcement
- What types of enforcement are needed? And how is enforcement going to be handled at open sea?
- What alternative enforcement methods are needed to deal with compliance methods other than switching to low sulphur fuel (i.e. scrubbers, LNG, etc.)?
- What can be done to harmonize sanction levels regionally and globally?

Key messages from participants

- More questions than answers
- IMO should develop guidelines on enforcement
- IMO could also – share info, data, experience, best practice
- Flag States and Port states enforce
- PSC have a role and need data shared to focus on ‘bad guys’
- Possible IMO requirement for cont. monitoring on board – requires tamper free equipment, takes time. Principle already exists for other sectors – why not shipping. Maybe practical/technological challenges.
- IMO Principles for enforcement on the high seas
- IMO Harmonization of sanctions
- Standards for number of inspections (like EU)
- Companies may be able to help IMO with info on experience with monitoring on board.

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Sulphur 2

Compliance solutions

- Which will be the main methods for achieving compliance in 2020?
- What initiatives (from the industry and/or national authorities) are needed in terms of development and implementation of more cost effective solutions?

Key messages from participants

- Scrubbers will be more used in 2020 (2025)
- Alternative fuels and operational parameters
- Uncertainty for the industry – need for clear messages from authorities.
- Enforcement!
- Standardization of BDN's
- Ban HFO for non-scrubber ships
- Green incentives
- Split incentives?
- Better training on regulation for seafarers
- Enforcement tech: Drones and stationary sniffers, Plume guns
- Communication between ports/countries
- Awareness
- Draw on experience from carbon debate on motivation of customers
- Investment

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Sulphur 3

Supporting a culture of compliance

- What can be done to support a “culture of compliance” in the industry globally?
- What factors motivate compliance other than economy?
- How can such motivation be strengthened and applied?
- Are there any specific ideas for how the industry can contribute to ensuring compliance?

Key messages from participants

CARROTS:

- Voluntary CEMS – data to authorities, flash compliance on company web page (issues though!). Incentive is no PSC for those who participate and more PSC for those who dont.
- Encouragement and CSR in companies
- Partnerships/networks - Trident Alliance – companies cooperating on culture
- Public knowledge of health effects
- Awareness of good and bad elements of compliance/non-compliance

STICKS:

- Deterrents (detention, heavy fines, ban ships or companies)
- Detection devices
- More controls
- Balance between good conscience VS brown envelope

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Sulphur 4

The role of ECAs

- Based on experience so far, are appointment of more Sulphur Emission Control Areas advisable in the EU and globally?
- Where would establishing new SECA's make sense?
- What is the future of the ECAs – merely Sox and NOx requirements, or other factors as well, e.g. Particulate Matter including Black Carbon?

Key messages from participants

- More SECAS? Depends on when the global cap arrives.
- Mediterranean?
- Split opinion on the need for more SECA's – is there a tradeoff?
- LNG – will its development be pushed by more SECA's?
- ECA's: YES we need more ECA's with focus on Nox and particles. Many places. Especially in the Arctic.

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