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WORKING GROUP ON REDUCTION OF
GHG EMISSIONS FROM SHIPS
6th session
Agenda item 2

ISWG-GHG 6/2/2
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**FURTHER CONSIDERATION OF CONCRETE PROPOSALS TO IMPROVE THE
OPERATIONAL ENERGY EFFICIENCY OF EXISTING SHIPS, WITH A VIEW TO
DEVELOPING DRAFT AMENDMENTS TO CHAPTER 4 OF MARPOL ANNEX VI
AND ASSOCIATED GUIDELINES, AS APPROPRIATE**

Strengthening the SEEMP – introducing a mandatory audit or survey scheme

Submitted by Norway

SUMMARY

Executive summary: This document discusses options for introducing a mandatory audit or survey scheme for the SEEMP, taking into account the various proposals for strengthening the SEEMP and experiences with the auditing scheme in the ISM Code

*Strategic direction,
if applicable:* 3

Output: 3.2

Action to be taken: Paragraph 22

Related documents: ISWG-GHG 5/4, ISWG-GHG 5/4/3, ISWG-GHG 5/4/9,
ISWG-GHG 5/4/12 and MEPC 74/7/4

Background

1 Norway, in document ISWG-GHG 5/4, proposed ten candidate measures, of which one related to strengthening the SEEMP. Other proposals on the SEEMP were submitted in documents ISWG-GHG 5/4/3 (Greece), ISWG-GHG 5/4/9 (ICS et al.), ISWG-GHG 5/4/12 (Cyprus) and MEPC 74/7/4 (Denmark et al.).

2 All these proposals include a mandatory verification scheme as part of the SEEMP, either explicitly, as a separate scheme, or as part of ISM audits. The ISM Code was adopted in 1993, and has been mandatory for approximately 20 years. Experience from establishing and implementing the ISM Code should be taken into account when developing measures for strengthening the SEEMP, and in particular how to introduce a mandatory verification scheme.

3 The intention of this document is to discuss options for introducing a mandatory verification scheme, considering the various proposals and drawing on experience from the ISM Code. It is not a complete proposal for strengthening the SEEMP and does not contain all aspects included in document ISWG GHG 6/1/1 nor an impact assessment.

The ISM Code

4 The origins of the ISM Code date back to the late 1980s, after a number of serious accidents where management fault was identified as a contributing factor. In 1989, IMO adopted resolution A.647(16) on *IMO Guidelines on Management for the Safe Operation of Ships and for Pollution Prevention*, with the aim to provide the responsible ship operators with a framework for taking appropriate steps for development, implementation and assessment of safety and pollution prevention management activities. The Code establishes safety management objectives and requires the ISM responsible company to develop and implement a policy for achieving the objectives. After obtaining some experience in the use of the Guidelines, IMO adopted the International Management Code for the Safe Operation of Ships and for Pollution Prevention (the ISM Code) in 1993, and the certification was made mandatory from 1998 (depending on ship type).

5 The ISM Code does not mandate specific solutions – all technical, operational or other detailed requirements are set in SOLAS, MARPOL or other codes and conventions. One of the objectives is that the safety management system shall ensure compliance with international and national rules and regulations, but it is up to each company to establish the means to achieve this, taking into consideration relevant guidelines.

6 Pollution prevention and protection of the environment are included in the ISM Code. However, traditionally this has been considered as prevention of pollution incidents, such as accidental emission and discharges, rather than operational emissions and energy efficiency. As such, it is currently part of the ISM Code scope to ensure that the ship and company are in compliance with MARPOL Annex VI, chapter 4 regulations.

7 The ISM Code mandates audits both onboard the ship and at company offices. The process starts with a company office audit which, when successfully completed, leads to an interim Document of Compliance (DOC) being issued. After at least three months' operation of a ship the initial company audit is performed, and a DOC valid for five years is issued. When a company takes on operation of a ship, an interim verification is carried out onboard and an interim Safety Management Certificate (SMC) valid for six months is issued. After at least three months of operation, the initial ISM audit may be carried out onboard and an SMC valid for five years is issued. The validity of the DOC depends upon annual verification completed at the company, and the validity of the SMC depends upon the validity of the DOC and that an intermediate audit is completed.

8 The ISM Code covers a wide range of topics, for example safe working environment, cyber risk management, garbage management, voyage planning, maintenance, training, competence, and emergency preparedness. Therefore, it is not possible to cover all aspects of each topic at each audit, and a sample of topics and records has to be selected for verification. The time available is limited on the ship audits, and there is no systematic process ensuring that compliance with all relevant regulations is covered over a series of audits.

9 In case of a non-conformity, the company has to follow-up with an action plan. This action plan is accepted by the Administration or Recognized Organization and effectiveness of the implemented corrective actions is verified during the next audit.

10 The audits are done by the Administration or a Recognized Organization. Many Recognized Organizations also deliver ISO audits combined with the ISM audit, as they have requirements overlapping with or supplementing the ISM Code, e.g. ISO 9001 on quality management; ISO 45001 on occupational health and safety; ISO 14001 on environmental management; and ISO 50001 on energy management. An integrated management system and combined audit provide for an efficient verification process for the company.

Alternatives for following up the SEEMP

11 The key strength of an audit approach is the follow-up on the management aspects of continuous compliance with technical and operational requirements and continuous improvement process. It is not suitable for inspecting and verifying compliance with technical requirements. ISM audits apply sampling techniques which do not ensure that all records are checked and verified.

12 On the other hand, a survey regime such as e.g. that for the IAPP certificate is more suited for follow-up on technical requirements on ships, but it does not provide for systematic evaluation for the continuous compliance and the improvement process. A SEEMP audit would then complement inspections by ensuring that a management process is in place to ensure compliance with technical and operational requirements.

13 The ISM Code already contains the necessary provision for following up on MARPOL Annex VI regulations, but it does not specifically address energy efficiency. The ISM Code could be amended to add focus on energy efficiency with some additional wording on energy efficiency management. ISM has already established a process to ensure that appropriate procedures are in place, and that companies work systematically to identify and mitigate risks. This could potentially be applied to energy efficiency regulations.

14 However, adding energy efficiency to the ISM Code could increase the workload of audits or reduce the time available to focus on other important topics. There would be no assurance that ISM audit would focus on energy efficiency, unless detailed instructions on sampling are developed.

15 Norway proposes to introduce an auditing scheme for SEEMP similar to the ISM Code, but as a standalone scheme rather than part of the ISM. This would ensure focus on energy efficiency at every audit. The SEEMP should focus on continuous improvement of the energy efficiency management system and promoting an energy efficiency culture. Any technical and operational requirements should be mandated and followed up by a survey scheme.

16 The audits could be harmonized with ISM audits, but careful consideration should be given to how often company and ship audits should be done, including the need for a company certificate or only ship certificates. For energy efficiency, it will be important to audit the company office, which is where the ship-board routines and systems are developed and monitored. Experience from ISM audits demonstrates that there is less time pressure during company audits than during ship audits. There are many options to manage this: for example, by an annual company audit and limiting the ship audits to a sample of ships per year, while ensuring that all ships are covered during a five-year cycle.

17 Trained auditors will be a prerequisite for a SEEMP audit to be effective. Whether the SEEMP is part of the ISM or another scheme, it is necessary to define competence requirements for auditors. This would take some time to implement and should be part of a phased-in approach. However, it would be expected that auditors already qualified for an ISM audit would be trained to perform SEEMP audits and the cost of training should be minimal.

18 Currently, MARPOL Annex VI, regulation 22 only mandates that a ship should keep on board a ship specific SEEMP, developed according to guidelines adopted by the Organization. It does not provide for any further requirements to the content. As the proposals on strengthening the SEEMP includes mandating calculation of indicators and other specific requirements, the SEEMP should become a Code mandated in MARPOL Annex VI.

19 In order to gain experience, the implementation can be done in steps, with the audit scheme and schedule introduced based on an updated SEEMP guideline first. When the content has matured, it can be further developed into a mandatory SEEMP Code.

20 In case of non-conformities, the company and ship should demonstrate that they have implemented an action plan to correct these. It should be possible for the ship to correct any findings of conditions to ensure compliance. If including specific operational requirements in the SEEMP, such as a speed limit, or an energy efficiency goal, procedures need to be in place for how to handle a non-conformity and how a ship could become compliant again. Such procedure should already be in place in the safety management system.

Proposals

21 Based on the above considerations, Norway proposes:

- .1 to introduce an auditing scheme for SEEMP similar to the ISM Code, but as a standalone scheme rather than part of the ISM;
- .2 that the audits should be harmonized with ISM audits;
- .3 that for energy efficiency, the company office should be audited;
- .4 that any technical and operational requirements should be mandated and followed up by a survey scheme; and
- .5 that the scheme should be developed in steps starting with development of revision of the SEEMP guidelines in order to include this matter, and on the basis of experience gained, develop a mandatory SEEMP Code.

Action requested of the Working Group

22 The Group is invited to consider the information and proposals put forward in this document and take action as appropriate.
