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JOINT TECHNICAL COOPERATION PROJECTS

Global Programme for Sustainable Ship Recycling

Note by the Secretariats of the Basel Convention, IMO and ILO

SUMMARY

Executive summary: This document provides information on action taken by the Secretariats of the Basel Convention, IMO and ILO to develop a Global Programme for Sustainable Ship Recycling.

Action to be taken: Paragraph 27

Related documents: ILO/IMO/BC WG 3/2/4 (Cooperation of the three Secretariats), ILO/IMO/BC WG 3/2/2 (Work Programme of the Basel Convention)

Background to the Global Programme for Sustainable Ship Recycling

Ship recycling in the international context

1 The issue of ship recycling has been high on the agendas of several international organizations in recent years. The International Maritime Organization (IMO), International Labour Organization (ILO) and the Basel Convention intend to work together in assisting countries with ship recycling industries to improve their standards of occupational safety and health and environmental protection. A new “International Convention for the Safe and Environmentally Sound Recycling of Ships” is currently being negotiated under the auspices of the IMO to facilitate such improvements in the industry, although it is anticipated that sufficient ratifications for entry-into-force may not have been deposited before 2012. In the meantime, action is urgently required to prevent incidence of worker injury and fatality and reduce the negative impacts of this activity on the environment.

2 In 2005, the first two meetings of the Joint Working Group of the ILO, IMO and Basel Convention on Ship Scrapping (JWG) were held to consider, *inter alia*, mechanisms to promote jointly the implementation of the relevant guidelines on ship recycling, as well as to monitor progress of any jointly organized technical cooperation activities. At that time, the JWG recommended that the Secretariats of the three organizations make efforts to enhance coordination and cooperation in developing technical assistance programmes for ship recycling.

“One UN” and international cooperation

3 The United Nations Development Assistance Framework (UNDAF) is a common strategic framework for the operational activities of the United Nations system at the country level. It seeks to provide a collective, coherent and integrated UN system response to national priorities and needs within the framework of the Millennium Development Goals (MDGs) and the other commitments, goals and targets of the Millennium Declaration and the declarations and programmes of action adopted at international conferences and summits and through major UN conventions. It is developed on the basis of the analysis of the common country assessment. UNDAFs exist for the major ship recycling nations in Asia¹. Any technical cooperation activities related to ship recycling should be developed consistent with this approach.

The Global Programme concept

4 Being mindful of the “One UN” approach, and following the recommendations of the Joint Working Group, the Secretariats of the Basel Convention, the International Maritime Organization and International Labour Organization, drafted a concept for a “Global Programme for Sustainable Ship Recycling” (“the Programme”) to promote a coordinated approach in addressing the issues faced by the ship recycling industry. Target Participant countries for the Programme include Bangladesh, India and Pakistan.

The Approach

5 The Programme concept is based on four fundamental principles:

- .1 **A life-cycle approach**, recognising that action is required within the confines of the ship recycling facility and beyond;
- .2 **Inclusion** of ship recycling into national development and poverty reduction strategies, noting the important role the industry plays as an employer and source of raw materials;
- .3 **Collaboration** with a wide array of stakeholders, including representatives of governments, ship recycling associations, workers and non-governmental organizations (NGOs) of ship recycling countries, donors and ship owner representatives. The active involvement of all relevant stakeholders will be instrumental in securing a commitment to improve the global ship recycling industry in a sustainable manner; and
- .4 **Continuity**, recognising that the Programme should build on the considerable work that has been done in the past and put into place processes and procedures for the long-term, to ensure the future sustainability of both the Programme and the industry.

The Objectives

6 The over-arching objectives of the Programme are:

- .1 to promote the sustainability of the ship recycling industry by enhancing the application of internationally recognized standards relating to occupational safety and health (OSH) and environmental protection;

¹ Pakistan UNDAF 2004-2008; India UNDAF 2008-2012, which builds on earlier completed UNDAFs; and Bangladesh UNDAF 2006-2010.

.2 to promote effective implementation of the future “International Convention for the Safe and Environmentally Sound Recycling of Ships” being negotiated under the auspices of the IMO, by building upon existing technical assistance activities promoting the guidelines of the IMO, ILO and Basel Convention, and elements of the new Convention (as developed); and

.3 to promote an integrated approach to the ship recycling industry, by addressing infrastructural and other needs in the Participant countries in and beyond the ship recycling facilities.

7 The Global Programme is intended to establish a broad framework for activities to be undertaken in Participant countries with a view to facilitating future implementation of the “International Convention for the Safe and Environmentally Sound Recycling of Ships” and, prior to entry-into-force of the Convention, to promote the protection of human and health and the environment in the context of ship recycling activities. The Global Programme is meant to promote cooperation and coordination not only between the ILO, IMO and the Basel Convention, but also with other entities (States, intergovernmental and nongovernmental organizations) who may be supporting or implementing activities in the proposed Participant countries. The objective of this coordination and cooperation is to promote complementarity and cost-efficiency. It is hoped, therefore, that other entities engaged in relevant activities will provide information as to how their activities complement the Global Programme or, indeed, serve to implement the activities proposed under the Global Programme as set forth below.

8 Thus, for example, the Secretariats of the ILO, IMO and the Basel Convention have been in extensive consultation with the World Bank, in connection with its proposed study entitled the “Ship Recycling Industry In South Asia: Environmental Compliance and Market Competitiveness Analysis”. Through the study the Bank proposes to address a critical existing gap in understanding the economic, market and financial implications of improved performance in the ship recycling industry in South Asia in line with the upcoming IMO Convention, which it sees as a necessary step in identifying the scope, scale and modality of any investments, including options for integrating this work within other areas of the Bank’s developmental assistance. In this context, the Bank has welcomed the Global Programme and its potential role in providing a platform for effective donor coordination.

The Activities

9 To achieve the Programme’s objectives, a variety of activities are proposed in each ship recycling country, according to its priorities and prevalent conditions. It is envisaged that the core Programme activities could include:

.1 **Development of model facilities** in each of the Participant countries to couple both operational and infrastructural improvements in a phased manner, providing a blueprint for other facilities to follow suit. This activity could provide a linkage between recycling facility owners wishing to upgrade their facilities and organizations and individuals with the expertise to consult on such improvements.

.2 **Development of Government-to-Business certification scheme(s)** to provide a yardstick by which ship owners and governments may assess the adherence of a facility to internationally accepted OSH and environmental standards. This activity would be developed and implemented in close regard to the various initiatives being undertaken to develop certification schemes.

.3 **Policy development** to assist ship recycling countries in preparing for the entry-into-force of the “International Convention for the Safe and Environmentally Sound Recycling of Ships”. The requirements of the new Convention need to be translated into simplified rules and regulations, as part of a national framework which outlines the responsibilities of all stakeholders, including regulators (from all concerned government agencies and ministries), ship recycling facility operators, etc. Allowing for preparation and transparency in this process will facilitate the implementation of the requirements of the new Convention.

.4 **Establishing linkages** with related development programmes being implemented in the Participant countries. Cross-sectoral issues of urban planning, waste management and health and welfare infrastructure need to be coordinated to ensure an optimal use of resources and outcomes.

.5 **Training and workshops** to encourage knowledge-sharing and collaboration between all stakeholders in the ship recycling process, including government agencies, ship recycling facility owners, operators and workers, NGOs and external experts.

10 All activities are inter-related and would comprise their own set of underlying objectives. Activities would require adaptation as required by the participant ship recycling countries.

Current status

11 Initial consultations on the Programme concept as developed by the SBC, IMO and ILO were held in India and Bangladesh in 2008 which confirmed wide-ranging support for its objectives and proposed activities. During these consultations, stakeholders highlighted the following observations with respect to the Programme:

.1 many activities have been and are currently being undertaken globally to improve ship recycling standards which require coordination;

.2 to ensure the success of any proposed programme it would have to be country-driven; and

.3 potential donors considering providing substantial financial input into a programme would prefer to make bilateral contributions direct to a Participant country, as opposed to channelling funding through the Secretariat of an organization.

12 Thus, noting the feedback obtained from both potential Participant countries and the donor community, the Programme concept requires further development, to tailor proposals to Participant countries’ national requirements to ensure optimal use of resources and results. Specifically, proposals require development to achieve the following objectives:

.1 to identify priorities at the national level in ship recycling countries, in light of ongoing developments at the international level;

.2 to develop country-driven proposals to improve OSH and environmental conditions in the main ship recycling countries, which are both sustainable and self-financing in the longer term; and

.3 to develop linkages between stakeholders to ensure the exchange of information and coordination of current and future programmes related to ship recycling.

13 Such proposals would be developed in consultation with stakeholders from Participant countries, international organizations, other interested governments, NGOs and industry. The following organizational structure is proposed to facilitate coordination under the Global Programme.

Organizational structure of the Global Programme

14 The overall structure of the Global Programme management is divided into: i) responsibilities assumed by the Participant country (National Implementation) and ii) the role of those entities involved in the Programme's advisory mechanism (Global Advice & Coordination). These are diagrammatically represented in Annex I.

15 The diagram also illustrates the anticipated scenarios for the input of donor contributions. It is expected that donors will wish to make contributions directly to the governments of the Participant countries and maintain a bilateral relationship and reporting lines separate from the Programme's Global Advice & Coordinating mechanism. In addition, the Secretariats (i.e. SBC, IMO or ILO) may receive funding from donors to finance activities for capacity-building in ship recycling in the Participant countries. In this case, the relevant Secretariat would assume the role of an implementing agency and thus would also be responsible for managing and reporting on disbursement of such funding, which would require close collaboration with the Governing Committee and National Implementation Team.

National Implementation

16 Noting that activities should be country-driven, decision-making powers and the responsibility for implementation of activities undertaken through the Programme reside within the National Implementation infrastructure, or as agreed under relevant donor agreements. Primary roles at the national level include drafting proposals for, receiving and administering funding, development of work programmes, implementation of selected activities and reporting on issues such as implementation milestones and funding allocation. The three Secretariats would be available to provide such guidance and assistance as is requested by the national Governing Committee, subject to the availability of resources.

Governing Committee

17 It is proposed a committee, comprised of focal points from the Participant country's lead Ministries on this issue, which may include Transport/Shipping, Labour and Environment, be established to oversee work undertaken at the national level. The Governing Committee would assume responsibility for:

- .1 strategic decision-making and policy formulation;
- .2 fund requests, administration and allocation;
- .3 review and approval of work programmes and budgets;
- .4 monitoring progress in project execution; and
- .5 reports to donors.

18 The Governing Committee would receive advice on policy-related issues and strategic direction from the Global Programme's Stakeholder Advisory Committee, to assist in the execution of its responsibilities. It should also receive information and guidance, as appropriate, from the National Implementation Team.

National Implementation Team

19 The National Implementation Team is responsible for development and execution of work programme(s) under the Global Programme. The composition of the Team will be dependent on which activity(ies) is(are) being undertaken, but should include representatives from:

- .1 relevant Government Ministries/Departments (both State and Federal);
- .2 the Shipbreakers' Association and facility owners/operators/workers (as appropriate);
- .3 local NGOs; and
- .4 other national experts (e.g. academia).

20 In accordance with the strategic direction set by the Governing Committee, it is expected the Team would assume responsibility for:

- .1 development and execution of the work programme(s);
- .2 budget management; and
- .3 progress reports on project execution and budget management to the Governing Committee and the Stakeholder Advisory Committee and to donors, as required under donor agreements.

21 The National Implementation Team would receive technical expertise and support from the Stakeholder Advisory Committee. The Secretariat of the Global Programme would facilitate the exchange of information between the Stakeholder Advisory Committee and Implementation Team, convey information on sources of financial and technical assistance and expertise, and assist in the development of work programmes, as required.

Global Advice & Coordination

22 The Global Advice & Coordination infrastructure is established to complement and assist in efforts undertaken at the national level in the Participant country. Its role is primarily to provide advisory assistance in developing work programmes and implementation schedules under the Programme. The Global Advice and Coordination infrastructure is intended to ensure that activities are developed and implemented at the national level with accurate information on current developments on policy and technical matters at the international level. It is comprised of the Stakeholder Advisory Committee and the Global Programme Secretariat.

Stakeholder Advisory Committee

23 It is proposed a Stakeholder Advisory Committee be established to promote the exchange of information between global experts and the Participant country. This body would assume an advisory role, providing policy guidance where required by the Governing Committee, and technical expertise as required by the National Implementation Team. Draft Terms of Reference for the Committee are attached at Annex II. Suggested responsibilities for the Committee could include:

- .1 to provide advice on policy issues and strategic direction;
- .2 to guide the work of the National Implementation Team;
- .3 to provide a mechanism for discussion and knowledge transfer on matters such as lessons learned, best practices in the industry, etc.; and
- .4 to provide the latest expert knowledge on issues related to ship recycling.

24 It is proposed the following entities would participate in the Stakeholder Advisory Committee:

From the Participant Country

- Relevant Government Ministries/Departments (Federal & State) – including Environment, Shipping/Transport, Labour;
- Shipbreakers Association/facility owners;
- Local NGOs; and
- Other national experts (e.g. academia).

Global Advisors

- Secretariat of the Basel Convention;
- International Maritime Organization;
- International Labour Organization;
- World Bank;
- Ship recycling associations;
- Workers' organizations;
- Selected Government representatives having substantive experience of addressing this issue at a national level and/or being a substantial donor to the Programme;
- Intergovernmental Organizations;
- Industry (e.g. shipowners);
- NGO Platform on Shipbreaking; and
- Classification society(ies).

Secretariat of the Global Programme

25 Secretariat responsibilities for the Global Programme would be managed by the Secretariats of the Basel Convention, the IMO and the ILO. The Programme's Secretariat would be responsible for facilitating and coordinating inputs from the Stakeholder Advisory Committee, assisting the National Implementation Team in the development of work programme(s) and preparing support materials (i.e. training and syllabus materials within areas of expertise of the three organizations) as required. Specific functions of the Secretariat could include:

- .1 management and coordination of the Global Advice & Coordination infrastructure;
- .2 coordination of all meetings and communication between the Stakeholder Advisory Committee, the Governing Committee and National Implementation Team;
- .3 assistance in the development of work programme(s) for the Participant country, taking into account the inputs and advice received from the Stakeholder Advisory Committee;
- .4 maintain an overview of global activities and developments in ship recycling and raise awareness of initiatives undertaken as part of the Global Programme;
- .5 act as a liaison between other entities undertaking projects in ship recycling and Participant countries to ensure complementarity of activities and to avoid duplication of resources; and

- .6 provide advice and assistance for resource mobilization activities under the Global Programme.

Next steps

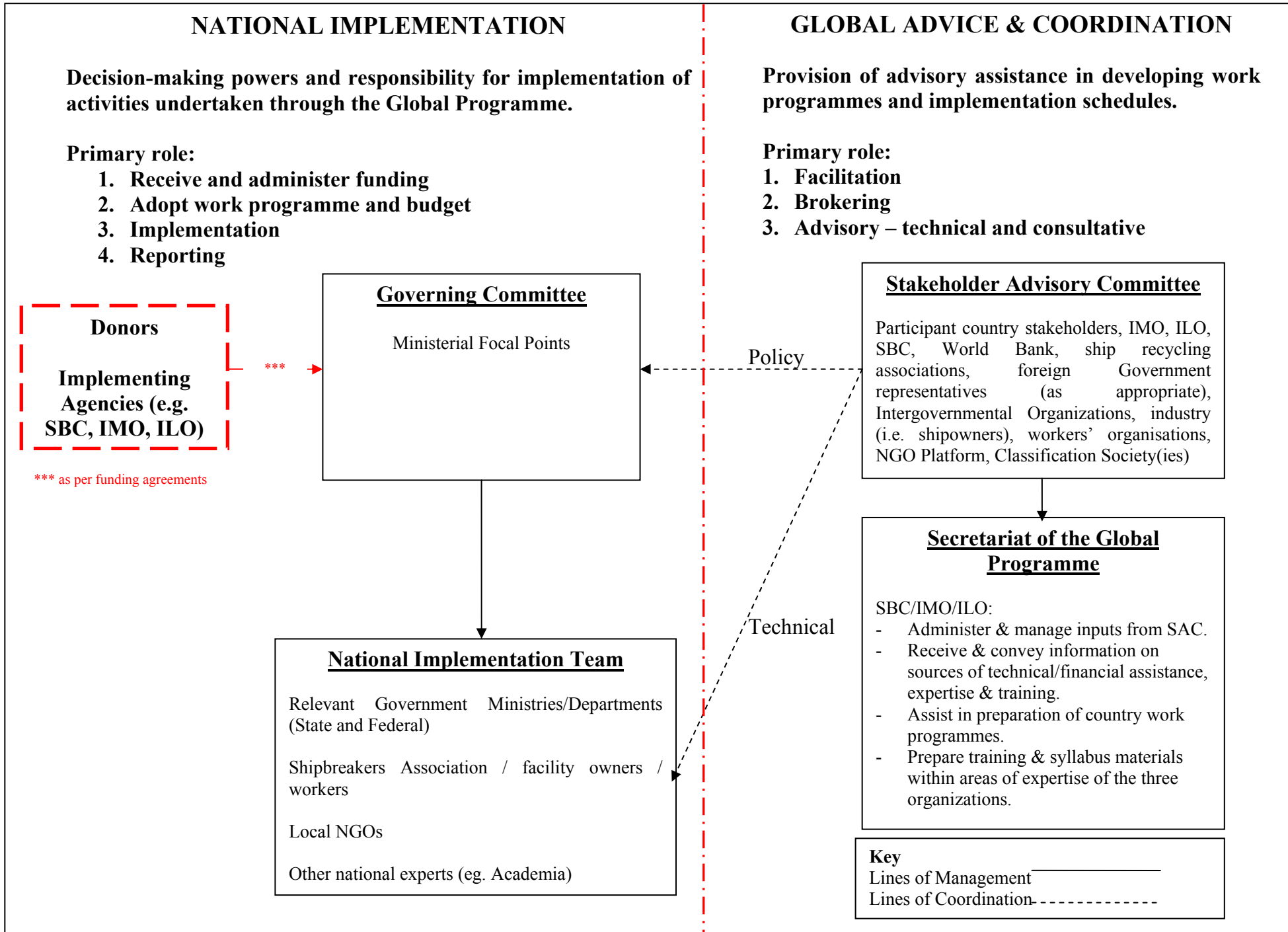
26 As noted in paragraphs 11 to 13, further consultations are required with potential Participant countries to develop proposals suited to each country's national requirements. Parallel consultations are also required with the proposed members of the Stakeholder Advisory Committee, other entities with ongoing projects or projects in development, the donor community and the shipping industry. An outline of stakeholder consultations the Secretariats propose to undertake is provided at Annex III.

Action requested of the Joint Working Group

27 The Joint Working Group is requested to consider the development of the Global Programme for Sustainable Ship Recycling in light of its mandate to the three Secretariats to continue cooperation and coordination in the development of joint technical cooperation activities. In particular, the Secretariats request that the Joint Working Group:

- .1 endorse the approach undertaken by the three Secretariats with regard to the development of the Global Programme;
- .2 provide comments and suggestions as to improvements that could be made to its proposals; and
- .3 provide advice on current or planned initiatives in the area of ship recycling, and where these initiatives might complement the ongoing work of the three Secretariats.

Annex I - ORGANIZATIONAL STRUCTURE OF THE GLOBAL PROGRAMME



Annex II: Terms of reference for the Stakeholder Advisory Committee of the Global Programme

1. The objective of the Stakeholder Advisory Committee ('the Committee') is to provide advisory assistance on policy-related issues and technical matters to Participant countries of the Global Programme for Sustainable Ship Recycling ('the Programme').
2. The Committee shall be a voluntary mechanism, with members invited from a network of global and regional advisors and representatives of the relevant Government Ministries and Departments (both Federal and State), industry and non-Governmental organizations of Participant countries. Members of the Committee will be expected to meet their own costs.
3. Decision-making powers reside exclusively with the representatives of the Participant country. The Committee will have no supervisory authority, it will act exclusively in an advisory capacity.
4. The Committee shall periodically review the progress of the Participant country's National Implementation Team, including results of consultation activities and work plans, as developed, and provide policy and technical advice to the Governing Committee and National Implementation Team, as required.
5. The Committee may decide to vary its membership through the addition of representatives from governments, IGOs, NGOs and the private sector, particularly significant financiers.
6. The Committee's work shall primarily be conducted electronically, through teleconferences and electronic mail, with the possibility of invitations being extended to Members of the Committee for participation in consultative activities, as and where appropriate. Subject to availability of resources, the Committee may hold physical meetings from time to time.
7. The Secretariats of the Basel Convention, International Maritime Organization and International Labour Organization shall provide secretariat services for the Committee.

Annex III – PROPOSED STAKEHOLDER CONSULTATIONS

Stakeholder	Substance	Primary inputs	Synergies with ongoing projects
All relevant	<p>Organizational structure for Global Programme, including process for donor input, National Implementation, Global Advice & Coordination</p> <ol style="list-style-type: none"> 1. Identify global experts and PC participants 2. Establish format and Terms of Reference 3. Consult on organizational structure and Terms of Reference. 	<p><u>Global experts:</u> IMO, ILO, SBC, WB, SR Assoc, Govts, Intergovernmental Organizations, industry, NGO Platform, Class <u>PC:</u> State/federal Govts, Shipbreakers Assoc., NGOs, local experts.</p>	
Participant country (PC)	<ol style="list-style-type: none"> 1. Identification of all relevant Participant country stakeholders and lead contacts. 2. Secure agreement on activities to be undertaken, roles and responsibilities of stakeholders, identify other needs and priorities (as follows): 		
	<p><u>Development of Model Facilities</u></p> <ol style="list-style-type: none"> 1. Assessment of current facility infrastructure: capacity and facility gaps: <ul style="list-style-type: none"> - Capacity building actions required (design, siting – both onsite and offsite): Waste management; Landfill; Incineration; Downstream transfer; Transport infrastructure; Medical - Identification of specific infrastructure financing needs/investments for scaling up - Management protocols (safe work procedures, managing waste streams) - Extent to which on-site development will take place 	<p>Govt PC Facilities Secretariat of the Global Programme (SGP) Shipowners</p>	<p>IMO Convention Guidelines (as developed) Maersk “China” model World Bank SBRI study</p> <ul style="list-style-type: none"> - Baseline study - Long-term infrastructure development

	<ol style="list-style-type: none"> 2. Discussion of proposals to develop suitable infrastructure (long term) <ul style="list-style-type: none"> - Recycling Facility buy-in on incremental improvements vs. long-term development 3. Scope development of Recycling Facility Management System at facility(s). 		
	<u>Development of certification scheme(s)</u> <ol style="list-style-type: none"> 1. Development and pilot of national certification schemes in light of ongoing work. 2. Measurement of incremental improvements and “Challenge Fund” concept – reward and/or recognition to those facilities undertaking improvements. 	Govt PC SGP Shipowners	Development of IMO Convention
	<u>Policy Development & Regulatory Capacity Building</u> <ol style="list-style-type: none"> 1. Review of current legislation and identify Ministries/Administrations/regulators involved in SR activity 2. Assist PCs in determination of what IMO Regulations mean in practice 3. Identify linkages with other International Conventions (i.e. other IMO rules, Stockholm, Rotterdam) 	Govt PC SGP NGOs Facilities IGOs	Development of IMO Convention
	<u>Establishing Linkages</u> <ol style="list-style-type: none"> 1. Identify development projects in related areas – e.g. waste management, POPs, port reception facilities, health, urban planning. <ul style="list-style-type: none"> - Establish what work is being undertaken and by whom. 2. Determine possible areas of synergy. 3. Developments in downstream industries. 	Govt PC SGP IGOs	
	<u>Training & Workshops</u> <ol style="list-style-type: none"> 1. Determine training needs of facilities → environmental, health, safety: gaps and needs. 2. Determine training infrastructure requiring setup: venues, 	Govt PC SGP Facilities	IMO Convention Guidelines (as developed) Post-ILO SAFEFEC project (if any)

	materials, continuous syllabus, overall management of activities.		
Entities with ongoing projects	<p>Collaborate where possible with the following entities with ongoing projects to ensure coordination of effort:</p> <ul style="list-style-type: none"> - World Bank – Study on “Ship Recycling Industry in South Asia: Environmental Compliance and Market Competitiveness Analysis” - ILO – post-SAFEREC initiative in Bangladesh - IMO Technical Cooperation activities - ADB – regional/municipal waste management project - European Commission – SHIPDISMANTL and other relevant projects - Norway – NORAD Ship Recycling Development Project (Bangladesh) - Denmark – MOFA/MOE agreed project? 	SGP Other entities	As described
Donor Community	Identify funding streams and prepare funding proposals.	Govt PC SGP	
Shipowners	Increase provision of hazardous materials inventory (HMI) – discussions on how to facilitate greater use of HMI during ship’s operational life and when sent for recycling.	Shipowners SGP NGOs	Development of IMO Convention
	Pre-cleaning – extent to which shipowners currently engage in pre-cleaning; practical solutions to improve PC practice.	Shipowners SGP NGOs	NGO Platform engagement with shipowners
	Partnership with model facility – explore opportunities for partnerships between “responsible” shipowners and recycling facilities in South Asia, based on Maersk-style partnership undertaken with China.	Ship recycling associations Shipowners SGP	Maersk “China” model