

Annex A: Industry Guidelines On European Union Ship Recycling Regulation Compliance And Developing Inventories Of Hazardous Materials

Introduction and Purpose

The COVID-19 crisis has presented significant challenges to the shipping industry. For a period of at least 6 months, crew changes and shipboard access has been severely affected and this is continuing in most parts of the world. The impact of this disruption is likely to be felt long after the peak of the pandemic has passed, with routine operations requiring rescheduling, and statutory surveys significantly disrupted for some time. This has been recognised by IMO and the two major Port State Control Memorandums of Understanding, which have issued clear guidance on exemptions and waivers which will apply as a consequence of the impact of COVID-19 on ships' and shipowners' ability to meet their statutory obligations in the normal manner.

However, one regulation which currently falls outside this exemption framework is the European Union Ship Recycling Regulation (EUSRR) which will fully apply from 31 December 2020. The challenges for surveyors and other external experts to access ships has significantly impacted on the ability of companies to develop Inventories of Hazardous Materials (IHM) in compliance with the European Ship Recycling Regulation (EUSRR), and this shortfall is likely to persist beyond the application date, with possible confusion in Port State Control (PSC) inspections and penalties for non-compliance following as a consequence.

Whilst industry associations are working to address this problem with the European Commission, companies and ships will need to ensure that they do their utmost to comply at the earliest opportunity, demonstrating to regulators that they are taking measures to meet their statutory obligations. This document therefore provides guidance on measures that companies should take at the earliest opportunity to demonstrate actions have been taken comply with the EUSRR within the appropriate schedule despite the impact of COVID 19.

1. European Union Ship Recycling Regulation and Inventories of Hazardous Materials

The EUSRR came into force in 2018 and is effective for all ships calling at EU ports from 31 December 2020. Whilst the instrument broadly mirrors the requirements of the Hong Kong Convention, it exceeds it in certain areas.

A fundamental requirement of the regulation is that ships develop inventories in accordance with the Hong Kong Convention and its guidelines. However, it should be

noted that the EU list of materials to be included in the inventory contains two additional materials to those required by the Hong Kong Convention.

Ships flying the flag of an EU Member State must develop and maintain an IHM in accordance with the EUSRR. Ships flying the flag of a non-EU State which call at EU ports must have on board an inventory which complies, as far as practicable, with the Regulation's requirements for existing ships. Such inventories should be accompanied by a statement of compliance issued by the relevant authorities of the country whose flag the ship flies or an organisation authorised by them.

2. Delays due to COVID-19

It is likely that a significant proportion of ships subject to the regulation will not have fully met the requirements to have a certified IHM on board by 31 December 2020. Whilst in some cases this may be due to a failure to prepare adequately, in many others, delays to survey cycles and scheduled IHM programmes have resulted from the disruptions of the COVID-19 pandemic, and programmes that have been in place for two years or more to ensure compliance have been severely put off schedule. Whilst there are some mitigation measures that will allow delayed schedules to catch up in the interim, it is uncertain whether existing capacity will be able to meet the likely surge in demand in the final six months of 2020. As such, at least some ships calling at European ports after entry into force will not be fully compliant with the requirements and potentially subject to port state control restrictions as a consequence. It is therefore strongly recommended that shipowners follow the measures outlined below and endeavour to manage their fleets to ensure compliance when their ships call at European Ports from 1 January 2021.

3. Managing Compliance with the EUSRR

Shipowners should assume that the application date for the EUSRR will stand without a transition period or relaxation, and that ships that are not fully compliant with the EUSRR will risk penalisation under national Port State Control regimes in EU Member States. Whilst there is much that is uncertain about how the regulation will be applied in practice, preparing for a worst case scenario will ensure maximum preparedness and minimise the exposure of ships calling at ports of EU Member States to control measures and penalties.

3.1. Fleet Planning

From a planning perspective, companies should undertake the following activities at the earliest opportunity to maximise the readiness of their fleet to comply or, demonstrate compliance, with the EUSRR:

- Assess planned operations on the basis of the likelihood of European port calls for at least the first six months of 2021.
- Develop a strategy for the development of IHMs, prioritising those ships that will need them most urgently.
- Contact relevant flag States so as to identify their requirements with respect to timetables, and possible alternative arrangements for survey and certification.
- Contact Class Societies and IHM service providers to assess the timetable in which IHMs can be realistically developed, including possible alternative arrangements for survey and certification.

3.2. Development of Inventories of Hazardous Materials

The Shipping Industry Guidelines on Transitional Measures for Shipowners Selling Ships for Recycling', IMO's Guidelines for Developing the Inventory of Hazardous Materials (IHMs) (MEPC resolution.269(68), and the EMSA Best Practice Guidance on the Inventory of Hazardous Materials demonstrate preparations that can be undertaken to prepare EU-trading vessels for IHM compliance (survey and certification). It is recommended that shipowners undertake the following actions using fully trained and qualified company and shipboard resources to begin preparing IHMs for their ships at the earliest opportunity, as doing so will speed up the survey, approval and certification processes required by the EUSR and, for ships not compliant by the application date, clearly demonstrate that measures have been taken to achieve compliance. In particular, it should be ensured that all stages are completed up to and including the preparation of the visual/sampling check plan, since this will accelerate the survey, sampling and approval processes when experts are available to carry them out.

3.2.1. Collection of Necessary Information

The first stage of the development of an IHM involves the collection of available information relevant to the ship's construction. This process consists of a documentation review, visual checks and, if necessary, sampling checks. It draws on a number of potential sources such as maintenance, conversion and repair documents, certificates, manuals, ship plans and drawings, technical specifications, material declarations, and equivalent IHMs from sister ships. It should be recognised that the availability of information about a ship will vary depending on its previous operation e.g. age, number of previous owners, number of changes of class, etc. In some cases, Material Declarations (MD) and Supplier's Declarations of Conformity (SDoC) forms, provided by the suppliers of parts and equipment delivered to the shipyard at construction may be available.

3.2.2. Assessment of Information

Once information has been collected it should be assessed, covering all materials listed in Table A and B of Part 1 of the IHM, to identify locations where they may be present on the ship. The results of this assessment should be used to develop the visual/sampling check plan.

3.2.3. Preparation of Visual/Sampling Check Plan

The visual/sampling check plan should be developed on the basis of the assessment of information collected in the first step of the inventory's development and the expertise of the person/persons developing the inventory. While spot checks and sampling are recommended for new buildings, the visual/sampling check plan is predominantly for the development of inventories for existing ships. It is recommended that a suitably qualified hazardous materials expert assists with the visual/sampling check plan, as this will form the basis of the on board checks and sampling of materials which will, in turn, indicate the location and approximate quantity of hazardous materials throughout the ship's structure and equipment. In some cases, classification societies may request approval of the visual/sampling check plan before any on board inspection or sampling is carried out.

Given the impact of COVID-19, it is likely that the onboard visual/sampling check and associated survey will be delayed due to shortfalls in the availability of qualified experts.

3.3. End of Life Ships

It is strongly recommended that companies apply the Transitional Measures referenced below when selling ships for recycling, and ensure compliance with the relevant regulations. Further guidance from respective classification societies can also be helpful to make informed and responsible decisions for end of life ships because the applicable regulations can vary depending on factors including ship flag and area of operation.

4. Useful References

Shipping Industry Guidelines on Transitional Measures for Shipowners Selling Ships for Recycling (2nd Edition):

<https://www.ics-shipping.org/docs/default-source/resources/environmental-protection/shipping-industry-guidelines-on-transitional-measures-for-shipowners-selling-ships-for-recycling.pdf?sfvrsn=8>

IMO's Guidelines for Developing the Inventory of Hazardous Materials (IHM) (MEPC resolution.269(68):



[http://www.imo.org/en/OurWork/Environment/ShipRecycling/Documents/02-1%20RESOLUTION%20MEPC%20269\(68\)%20IHM%20Guidelines.pdf](http://www.imo.org/en/OurWork/Environment/ShipRecycling/Documents/02-1%20RESOLUTION%20MEPC%20269(68)%20IHM%20Guidelines.pdf)

Best Practice Guidance on the Inventory of Hazardous Materials:
<http://www.emsa.europa.eu/implementation-tasks/environment/ship-recycling/items.html?cid=150&id=3003>

5. Supporting Organisations

ASA	www.asianshipowners.org
BIMCO	www.bimco.org
CLIA	www.cruising.org
ECSA	www.ecsa.eu
ICS	www.ics-shipping.org
IMCA	www.imca-int.com
Intercargo	www.intercargo.org
Intertanko	www.intertanko.com