

**ANNEX 5**

**RESOLUTION MEPC.211(63)**

**Adopted on 2 March 2012**

**2012 GUIDELINES FOR THE AUTHORIZATION OF SHIP RECYCLING FACILITIES**

THE MARINE ENVIRONMENT PROTECTION COMMITTEE,

RECALLING article 38(a) of the Convention on the International Maritime Organization concerning the functions of the Marine Environment Protection Committee conferred upon it by the international conventions for the prevention and control of marine pollution,

RECALLING ALSO that the International Conference on the Safe and Environmentally Sound Recycling of Ships held in May 2009 adopted the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 (the Hong Kong Convention) together with six Conference resolutions,

NOTING that regulation 16.1 of the annex to the Hong Kong Convention requires that Ship Recycling Facilities which recycle ships to which the Convention applies, or ships treated similarly pursuant to article 3.4 of the Hong Kong Convention, shall be authorized by a Party taking into account the guidelines developed by the Organization,

NOTING ALSO that regulation 15.3 of the annex to the Hong Kong Convention requires that each Party shall establish a mechanism for ensuring that Ship Recycling Facilities comply with the requirements of the Convention including the establishment and effective use of inspection, monitoring and enforcement provisions, and that such a mechanism may include an audit scheme to be carried out by the Competent Authority(ies) or an organization recognized by the Party, taking into account guidelines developed by the Organization,

BEARING IN MIND that the International Conference on the Safe and Environmentally Sound Recycling of Ships, in its resolution 4, invited the Organization to develop Guidelines for global, uniform and effective implementation and enforcement of the relevant requirements of the Convention as a matter of urgency,

HAVING CONSIDERED, at its sixty-third session, the draft 2012 Guidelines for the authorization of ship recycling facilities, developed by the Working Group on Ship Recycling,

1. ADOPTS the 2012 Guidelines for the authorization of ship recycling facilities, as set out in the Annex to this resolution;
2. INVITES Governments to apply the Guidelines as soon as possible, or when the Hong Kong Convention becomes applicable to them; and
3. REQUESTS the Committee to keep the Guidelines under review.

ANNEX

**2012 GUIDELINES FOR THE AUTHORIZATION OF SHIP RECYCLING FACILITIES**

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## **1 INTRODUCTION**

### **1.1 Objectives of the guidelines**

These guidelines provide recommendations for Parties on establishing mechanisms for authorizing Ship Recycling Facilities in accordance with the requirements of the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 (hereafter referred to as "the Convention").

These guidelines should be used primarily by the Competent Authority(ies) and the organizations recognized by the Competent Authority(ies). The guidelines may also be useful for Ship Recycling Facilities in preparing for the authorization process.

### **1.2 Approach of the guidelines**

Article 6 and regulation 16 of the Convention require Ship Recycling Facilities that recycle ships to which the Convention applies, or ships treated similarly pursuant to article 3.4 of the Convention, to be authorized taking into account the guidelines developed by the Organization.

The present guidelines provide guidance on establishing a scheme for authorizing Ship Recycling Facilities, covering the following areas: necessary documentation; verification of documentation; site inspection; audit scheme; specific procedural action relating to issuing, amending, suspending, withdrawing and renewing the Document of Authorization to conduct Ship Recycling (DASR); validity of the DASR; communication of information; and monitoring of the activities of the Ship Recycling Facility.

## **2 DEFINITIONS**

The terms used in these guidelines have the same meaning as those defined in the Convention. For the purposes of these guidelines, the following additional definitions apply.

2.1 "Organization recognized by the Competent Authority(ies)" means an organization designated by the Competent Authority(ies) in accordance with regulation 16.2 and regulation 16.3 of the Annex to the Convention to undertake relevant tasks on behalf of the Competent Authority(ies).

2.2 "Determination" means the process by which the Competent Authority(ies) decides whether to issue, amend, suspend, withdraw or renew a DASR.

## **3 IDENTIFICATION OF COMPETENT AUTHORITY(IES) RESPONSIBLE FOR AUTHORIZATION**

According to the Convention, the Party shall designate one or more Competent Authorities as responsible for authorizing Ship Recycling Facilities within its jurisdiction. The Competent Authority(ies) should identify a single contact point to act as central communicating partner between the Competent Authority(ies), Administrations and Ship Recycling Facilities. The Competent Authority(ies) may entrust the authorization of Ship Recycling Facilities to organizations recognized by it (regulation 16.2). The Party should determine the extent to which it delegates the authorization of the Ship Recycling Facility to organizations recognized by the Competent Authority(ies), and notify the Organization of the specific responsibilities and conditions of the authority delegated to such organizations, for circulation to Parties (regulation 16.3). The extent to which authority is delegated to the organization recognized by the Competent Authority(ies) therefore varies according to each Party's decision. In every case, the Competent Authority retains full responsibility for the authorization (regulation 16.3).

Hereafter in these guidelines, the term "Competent Authority(ies)" should be interpreted as "Competent Authority(ies)" or "organization recognized by the Competent Authority(ies)", depending upon the extent to which authority is delegated to such organizations in each Party.

Organizations recognized by the Competent Authority(ies) should work in harmony with the Competent Authority(ies) while undertaking the responsibilities that it has entrusted to them.

The Competent Authority(ies) should ensure that the organization recognized by it has the appropriate qualifications and expertise to conduct the tasks delegated to it, taking into account guidance to be developed by the Organization.

Where the organization recognized by the Competent Authority(ies) is delegated to authorize Ship Recycling Facilities, a system for tracking the flow of information between the organization and the Competent Authority(ies) should be established.

The Competent Authority(ies) should establish systems for evaluating, controlling and auditing the organization recognized by it.

## **4 APPLICATION FOR AUTHORIZATION**

### **4.1 General**

The Ship Recycling Facility should submit an application for authorization to conduct ship recycling to the Competent Authority(ies). The formal application should be accompanied by a completed Ship Recycling Facility Plan (SRFP). The Ship Recycling Facility and Competent Authority(ies) may hold preliminary discussions before the formal application is submitted.

The Competent Authority(ies) should be aware of any requirements and obligations outside the scope of the Convention that have been established under regional and/or national law and regulations and are applicable to Ship Recycling Facilities operating under its jurisdiction.

Nothing in the Convention or these guidelines precludes a Party from supplementing the requirements of the Convention with technical standards, codes of practice and/or guidelines that might take account of technological developments, advanced practice, norms and standards, in order to further reduce risks to occupational health and safety and to the environment and any other adverse effects related to ship recycling, or from using such supplementary requirements during the process of authorizing a Ship Recycling Facility.

The Ship Recycling Facility should submit a formal application, ensuring that it is complete. The onus is on the Ship Recycling Facility to assess the effects of its operations and to demonstrate how ship recycling operations should be managed so as to meet the requirements of the Convention and of relevant national and/or regional legislation.

The Competent Authority(ies) may ask for additional documentation and/or return the application if it is not complete. The Ship Recycling Facility may draw upon or attach other sources of information in its application, and indeed is encouraged to make use of existing information where appropriate.

## **5 NECESSARY DOCUMENTATION FOR ISSUING THE DOCUMENT OF AUTHORIZATION TO CONDUCT SHIP RECYCLING (DASR)**

### **5.1 General**

The SRFP, described in the *Guidelines for Safe and Environmentally Sound Ship Recycling* ("Facility Guidelines") and as required by regulation 18, shall be used as the main document in issuing the DASR.

Any other documentation and/or certification required under applicable international or national legislation, including those related to ship recycling activity, should be submitted with the application.

The Competent Authority(ies) should ensure that the Ship Recycling Facility has a management system in place and described in its documentation, together with the appropriate procedures and techniques, aimed at protecting human health and the environment without posing any unacceptable risks. The Competent Authority(ies) should check that the SRFP includes the policy, plans, systems and other factors set out in regulation 18 of the annex to the Convention.

### **5.2 Management of Hazardous Materials**

The Competent Authority(ies) should check that the Ship Recycling Facility has established, implemented and maintained procedures for environmentally sound management of Hazardous Materials and wastes.

The Competent Authority(ies) should check that the Ship Recycling Facility has procedures in place to ensure that all Hazardous Materials detailed in the Inventory of Hazardous Materials are, to the maximum extent possible prior to cutting, identified, labelled, packaged and removed by properly trained and equipped workers, then stored and transported to waste management facilities by licensed vehicles.

The Competent Authority(ies) should check that the Ship Recycling Facility has established procedures to send all Hazardous Materials and wastes to authorized waste management and disposal sites before issuing a DASR. Documentation demonstrating these sites' compliance with national regulations<sup>5</sup> should also be checked by the Competent Authority.

The Competent Authority(ies) should ensure that the Ship Recycling Facility has established procedures for managing all wastes generated by recycling activity, which should be kept separate from recyclable materials and equipment and labelled and stored under conditions that do not pose a risk to workers, human health or the environment.

### **5.3 Other requirements**

The Ship Recycling Facility should undertake all necessary steps to fulfil the requirements of applicable international and national legislation.

The Ship Recycling Facility should ensure that planned and conducted activities respect the limits set out in applicable national laws and regulations on land use where the Ship Recycling Facility is located and is operating.

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<sup>5</sup> Where such regulations are based on applicable international agreements, these should also be referenced.

The Competent Authority(ies) may require an environmental impact study from Ship Recycling Facilities. In this case, the following guidance is to be considered.

A study may be conducted to assess the potential environmental impacts from the Ship Recycling Facility as a basis for identifying and prioritizing the Facility's environmental aspects. If a new Ship Recycling Facility is planned, the study may provide the basis to determine whether the location is appropriate and suitable for ship recycling activities. If the actual project involves a site already used for ship recycling or similar activities, the study may include an assessment of the environmental conditions of the location. It is advisable to conduct the study during the planning stage and to initiate it as early as possible.

The study may address in particular whether the Ship Recycling Facility has adverse effects on factors including, but not limited to, the following, and whether these effects are within acceptable limits as defined by applicable international and/or national legislation:

- flora and fauna of the specific area;
- hydrogeology;
- surface and ground water;
- soil structure;
- historical, cultural, social and economic values; and
- air quality.

The study may focus particularly on the significant environmental effects of releases, identifying and quantifying the possible release of polluting substances into any media and their effects. Most attention might be paid to large-scale releases and releases of the more hazardous pollutants, which are likely to have most significant effects. Conversely, any releases at levels so low that they are unlikely to have any serious effects do not need to be assessed. However, consideration may be given to other substances capable of causing pollution in the same way.

The study may pay special attention to:

- .1 Consumption and nature of raw materials:  
Consideration may be given to options that use fewer resources or those that use materials that are less likely to create hazards or pollution risks;
- .2 Waste issues:  
Consideration may be given to the annual material flow, consisting of incoming ships for recycling and the resultant waste leaving the Facility. This may cover the types of waste that the Facility can receive and store, depending on the ships that the Facility is planning to recycle, and for each type:
  - the maximum quantity that the Facility can receive;
  - the maximum storage capacity for each type of waste; and
  - the environmental hazards caused by waste during recycling activities and possible measures to mitigate the negative impact on the environment.

- .3 Accidents:  
Consideration may be given to the environmental hazards posed by possible accidents and their associated risks, including the practicality of measures to reduce risks and hazards and to respond to accidents; and
- .4 Site restoration:  
Consideration may be given as to whether there is a risk that the ship recycling operation will pollute the site, including planning in advance for decommissioning and restoring the site upon closure.

In some cases, a judgement will need to be made about the relative significance of different environmental effects. In making this comparison, certain basic parameters may help in reaching a conclusion. For example, long-term irreversible effects are worse than short-term reversible ones, if all other factors, such as immediate severity, are equal.

## **6 VERIFICATION OF DOCUMENTATION**

The application, including its documentation, should be assessed and verified by the Competent Authority(ies). The assessment and verification should be concluded within a reasonable time frame, if possible within three months.

The assessment and verification process should include a site inspection, as described in section 7, after the documentation has been reviewed and evaluated.

If the application is rejected, the Competent Authority(ies) should inform the Ship Recycling Facility of the reason for the rejection.

## **7 SITE INSPECTION**

Site inspections should be conducted at Ship Recycling Facilities. The Competent Authority(ies) is responsible for planning and undertaking the site inspection. The site inspection may involve, or use the guidance and reports of, local or national labour inspection services.

The main purpose of the site inspection is to check the consistency of the documentation with the actual arrangements and operations at the Ship Recycling Facility.

The first site inspection should be announced in advance to the Ship Recycling Facility, in order to ensure that it will be possible to meet all relevant persons.

In advance of, during and following the site inspection, any necessary information should be provided by the Ship Recycling Facility.

Safety issues should be considered and sufficient precautions taken throughout the site inspection, including with respect to personal protection.

The inspection should address the functionality of arrangements established, focusing on safety and environmental protection and the handling of all materials including hazardous wastes and debris. The inspection should cover situations in which the Ship Recycling Facility is operating at maximum capacity with a full body of staff, including subcontractors.

The site inspection should verify that a SRFP exists and that it is being fully implemented. In particular, the following factors should be verified:

- .1 availability of the SRFP to all personnel at the Ship Recycling Facility;
- .2 knowledge of the SRFP, as appropriate, among management, Competent persons and workers according to their designated tasks, roles and responsibilities, including those with special duties such as first-aid personnel and fire fighters, as assessed through interviews with all categories of personnel and supervision of drills if appropriate; and
- .3 implementation of the objectives of the SRFP, as demonstrated by implementation of operational procedures in:
  - ship preparation processes;
  - monitoring of Safe-for-entry and Safe-for-hot-work conditions;
  - deconstruction processes;
  - hot work processes;
  - management of Hazardous Materials and wastes (protective measures and removal, transport, storage and disposal); and
  - emergency preparedness.

The site inspection should identify procedures and routines for the following:

- .1 developing and using the Ship Recycling Plan;
- .2 accepting ships, taking into account relevant requirements and the required certificates;
- .3 reporting and following up incidents; and
- .4 conducting operations in a safe and environmentally sound manner, in accordance with the regulations of the Convention.

The site inspection should verify the availability, size, restrictions and general set-up of the Ship Recycling Facility as stated in the application. Any arrangements established for the purpose of facilitating the recycling process should be described in the inspection report, as should any limitations related to the operation of the Ship Recycling Facility.

All sites utilizing established procedures, methods, arrangements and facilities for the removal, storage, processing (incineration, reclamation and specific treatment), transport and disposal of Hazardous Materials and wastes should be inspected. The inspection should verify that the Ship Recycling Facility is designed and constructed to manage any Hazardous Materials and wastes that are included in their application.

In cases where the Ship Recycling Facility is engaging one or more contractors by means of subcontracting for any activities related to the requirements of the Convention, the contractors should be subject to the same verification as if the Ship Recycling Facility itself was undertaking the activities. The Ship Recycling Facility is responsible for providing the Competent Authority with information required to perform a verification on the aforementioned contractors, as part of the overall assessment of the Facility.



Furthermore, the site inspection should include a practical test for assessing the implementation of measures relating to emergency preparedness and response. This may involve an unannounced complete evacuation of the Ship Recycling Facility or a similar procedure described in the plans for emergency preparedness and response.

The Competent Authority(ies) should have procedures in place for providing detailed information and analysis of the authorization process to the Ship Recycling Facility. Such procedures could include a written report by the Competent Authority(ies), to be made available to the Ship Recycling Facility, containing inspection data and an evaluation of findings.

The supplement to the DASR (appendix 5 of the annex to the Convention) may be used as guidance in planning site inspections.

If the Ship Recycling Facility is under construction or not fully operational, the site inspection should be conducted as far as practicable, and the Competent Authority(ies) may issue the DASR subject to certain terms and conditions as appropriate. In such a case, an additional, follow-up site inspection should be conducted after the Ship Recycling Facility becomes fully operational. According to the results of the follow-up site inspection, the Competent Authority(ies) may suspend, amend or withdraw the DASR.

## **8 ISSUANCE, AMENDMENT, SUSPENSION, WITHDRAWAL AND RENEWAL OF DASR**

### **8.1 General**

As stated in regulation 16.5 of the annex to the Convention, the Party shall identify the terms on which the authorization will be issued, withdrawn, suspended, amended and renewed.

### **8.2 Mechanism for ensuring the establishment and effective use of inspection, monitoring and enforcement provisions**

Under regulation 15.3 of the annex to the Convention, each Party shall establish a mechanism for ensuring the establishment and effective use of inspection, monitoring and enforcement provisions, including powers of entry and sampling. Such a mechanism may include an audit scheme to be carried out by the Competent Authority(ies) or an organization recognized by the Competent Authority(ies). If the Party establishes an audit scheme based on the national law and regulations, the Party should make available relevant information on the audit scheme in advance of any audit, including, but not limited to, the following:

- the frequency of the audit: at least one audit should be conducted, in the middle of the validity period of the DASR; and
- the audit process: this may include the submission by the Ship Recycling Facility of written reports containing summaries of ship recycling activities and interviews with representatives or managers of the Ship Recycling Facility and site inspections.

The Competent Authority(ies) should establish procedures for conducting follow-up site inspections at the Ship Recycling Facility as necessary, after the DASR has been issued.

### **8.3 Issuance**

The Competent Authority(ies) should issue a DASR to the Ship Recycling Facility if the document verification process and site inspection prove satisfactory.

The DASR should not be issued until all required documentation has been received and the site inspection has been successfully completed.

The supplement to the DASR (appendix 5 of the annex to the Convention) must be permanently attached to the DASR. Most of the information required for the supplement is available in the SRFP, as described in the Facility Guidelines.

The DASR should be available at the Ship Recycling Facility at all times.

### **8.4 Amendment**

The Competent Authority(ies) may amend the DASR as appropriate. The amendment procedure may be initiated by the Competent Authority(ies) or the Ship Recycling Facility. The Competent Authority(ies) may require a site inspection to verify compliance with the Convention before it amends the DASR. The Ship Recycling Facility should provide the Competent Authority(ies) with appropriate documentation and updates to the SRFP.

Situations which may necessitate amendment of the DASR include, but are not limited to, the following:

1. the Ship Recycling Facility applies for the DASR amendment in order to widen the scope of authorization; for example, after having invested in the Facility and added new capabilities which should be reflected in the DASR;
2. the DASR amendment is triggered by compelling needs on the part of Competent Authority(ies); for example, when new domestic regulations are put into effect;
3. the DASR amendment is triggered by investigations conducted by the Competent Authority(ies) following accidents;
4. the DASR amendment is triggered by a deviation of practice at the Ship Recycling Facility from the SRFP, which thereby affect the contents of the DASR; and
5. the DASR amendment is triggered by a change in the hazardous materials which the Ship Recycling Facility can remove, store and process.

### **8.5 Suspension**

The Competent Authority(ies) may suspend the DASR, or require corrective action by the Ship Recycling Facility, if it has information demonstrating that the Ship Recycling Facility no longer satisfies the terms and conditions of the DASR. The Competent Authority(ies) may suspend the DASR temporarily or indefinitely, depending on the Ship Recycling Facility's subsequent level of compliance. During any period of suspension, the Ship Recycling Facility is not authorized to conduct recycling activities, except insofar as the Competent Authority(ies) has specified that the Ship Recycling Facility should continue with certain activities that do not negatively affect the protection of human health or the environment.

The Competent Authority(ies) should suspend the DASR in cases where site inspections, conducted as part of the audit, are restricted by the Ship Recycling Facility without justification.

## **8.6 Withdrawal**

The Competent Authority(ies) may withdraw the DASR if the Competent Authority(ies) has information demonstrating that the Ship Recycling Facility no longer satisfies the terms and conditions of the DASR. The Competent Authority(ies) should generally reserve withdrawal for cases when the Ship Recycling Facility has seriously or repeatedly failed to comply and when suspending the DASR does not present an adequate remedy. The Competent Authority(ies) may reinstate the Ship Recycling Facility's authorization only after the Ship Recycling Facility has submitted a new application to the Competent Authority(ies) demonstrating that the Ship Recycling Facility is in full compliance with the Convention's requirements and related Guidelines.

Any action or modification at the Ship Recycling Facility that may affect the conditions on which the authorization was granted should prompt a new inspection. If such an inspection reveals that the conditions for authorization are no longer in place, the DASR should be withdrawn.

## **8.7 Renewal**

The Competent Authority(ies) may renew the DASR upon written request by the Ship Recycling Facility. The Ship Recycling Facility should support any such request with revised documents, as appropriate, as stated in section 6 above in relation to the Ship Recycling Facility's initial application for authorization. The Competent Authority(ies) may, at its discretion, conduct a site inspection before it renews the DASR.

## **9 VALIDITY**

The DASR shall be issued for a period determined by the Party not exceeding five years.

If a Ship Recycling Facility changes ownership, the new owner should – within a reasonable time frame, if possible not exceeding 30 days – notify the Competent Authority(ies) so that it can amend the DASR accordingly. The new owner should confirm in writing that it will fully comply with all requirements, including the SRFP, and the Convention. The new owner should also provide any supporting documentation requested by the Competent Authority(ies). If operations at the Ship Recycling Facility are changed in such a way as to affect the conditions on which authorization was granted, the Competent Authority(ies) may amend, suspend or withdraw the DASR and inform the new owner accordingly.

## **10 COMMUNICATION OF INFORMATION**

### **10.1 Organizations recognized by the Competent Authority(ies)**

The Party shall notify the Organization of the specific responsibilities and conditions of the authority delegated to the organizations recognized by the Competent Authority(ies), for circulation to Parties. In every case, the Competent Authority(ies) retains full responsibility for the authorization issued (regulation 16.3).

The organization recognized by the Competent Authority(ies) may be asked to maintain a list of surveyors with adequate expertise for conducting the tasks requested by the Party.

Each Party shall report to the Organization and the Organization shall disseminate, as appropriate, a list of the organizations recognized by the Competent Authority(ies) and nominated surveyors that are authorized to act on behalf of that Party in the administration of matters relating to the control of ship recycling in accordance with the Convention, and the specific responsibilities and conditions of the authority delegated to organizations recognized by the Competent Authority(ies) or nominated surveyors (article 12.3).

## **10.2 Violations and sanctions**

In case of an alleged violation, the Party having jurisdiction over the Ship Recycling Facility shall promptly inform the Party that reported the alleged violation, as well as the Organization, of any action taken.

If the Party has not taken any action within one year of receiving the information, it shall inform the Party that reported the alleged violation, and the Organization, of the reasons why no action has been taken.

If a request for an investigation is received from any Party, together with sufficient evidence that a Ship Recycling Facility is operating, has operated or is about to operate in violation of any provision of the Convention, the Party under whose jurisdiction the Ship Recycling Facility is operating should investigate it and produce a report. The report of any such investigation, including information on action taken or to be taken, if any, shall be sent to the requesting Party and to the Organization for appropriate action.

The Competent Authority(ies) should be promptly informed by the Ship Recycling Facility in cases of alleged violations covered by article 9 of the Convention.

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