



# Global Targets Local Benefits

Setting the Sustainable Development Agenda for  
the Seas of East Asia beyond 2015

16-21 November 2015

## Session 1

A Decade of Partnerships in Sustainable Development of  
the Seas of East Asia: Synergies and Achievements

## Workshop 2

**Maritime Sector Contributions to  
a Blue Economy for the Seas of  
East Asia**

CO-CONVENING AGENCY:

**IPIECA**



SUPPORTING AGENCIES:



**Co-Chairs:**

**Mr. Brian Sullivan**

Executive Director, IPIECA

**Ms. Franca Sprong**

Project Director, GIZ–Sustainable Port  
Development in the ASEAN Region



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**Session 1:  
A Decade of Partnerships in Sustainable Development of the  
Seas of East Asia: Synergies and Achievements**

**Workshop 2:  
Maritime Sector Contributions to a Blue Economy  
for the Seas of East**

18 November 2015

**Co-Convening Agencies**

The International Petroleum Industry Environmental Conservation Association (IPIECA)  
GIZ-Sustainable Port Development in the ASEAN Region

**Co-Chairs:**

**Mr. Brian Sullivan**

Executive Director, IPIECA

**Ms. Franca Sprong**

Project Director, GIZ-Sustainable Port Development in the ASEAN Region

## **1 INTRODUCTION**

- 1.1 Two sessions under the workshop on “Maritime Sector Contributions to a Blue Economy for the Seas of East Asia” were held as part of the International Conference of the East Asian Seas Congress 2015, co-convened by the International Petroleum Industry Environmental Conservation Association (IPIECA) and German Technical Cooperation on ‘Sustainable Port Development in the ASEAN Region’ Project, supported by the International Oil Pollution Compensation (IOPC) Funds, International Tanker Owners Pollution Federation (ITOPF) Limited and Oil Spill Response Limited (OSRL). The two sessions were held on 18 November 2015 at Furama Resort Hotel in Da Nang City, Viet Nam.
- 1.2 The workshop emphasized the major contributions of the maritime transport sector to a blue economy for the East Asian Seas region and the corresponding risks and potential negative impacts to the marine environment resulting from increased demand for maritime services. As emphasized in the introduction by the Workshop Chair, Mr. Brian Sullivan, IPIECA, 80% of world trade is conveyed through the ocean and 32% of the world’s hydrocarbons are derived from the ocean floor. While there is

great potential for growth in the maritime economy, it also brings corresponding risks such as the impacts of sea incidents to oceans and seas. Oil spills, air emissions from ships, transport of hazardous and noxious substances and climate change were among the emerging environmental concerns in the maritime sector, which were discussed during the workshop.

- 1.3 The workshop also featured programmes and initiatives of international and regional organizations and projects, selected national maritime administrations, port industry association and oil and gas industry organizations, which demonstrated commitments to promoting environmental sustainability in the maritime sector including: preventing and reducing the impact of oil spills from tanker accidents; climate change mitigation measures; initiatives in promoting safety and health of workers and reducing environmental risks in port areas, including air emissions from shipping and port operations; and building capacities in oil spill preparedness and response through government-industry partnerships (**Annex 1**).

## 2. PRESENTATIONS

- 2.1 Part 1 of the workshop provided an overview on developments, prospects and challenges in promoting a sustainable maritime industry in the EAS region.
- 2.2 **Mr. Alex Hunt, ITOPF**, provided an overview on "Recent Developments and Emerging Trends in Shipping Incidents". He explained that despite a dramatic increase in quantities of oil carried at sea, there is an observed decline in oil spills globally. The likely reasons cited were ratification and implementation of IMO Conventions, specifically MARPOL 73/78 and ISM Code, the Oil Pollution Act of 1990, the use of automatic identification system (AIS), use of inert gas systems in cargo tanks, double-hulled tankers, segregated ballast tanks, mandatory towing arrangements, and improved traffic management schemes by various states. He emphasized that of the major spills attended by ITOPF from 2004 to 2014, 20% occurred in the EAS region (i.e., China, South Korea and Japan). The Straits of Malacca and Singapore were considered as a regional hotspot in terms of oil movement and location of marine protected areas. In addition, the growth in container shipping (from 69M to 178M TEU's in 15 years) and increasing shipping traffic to China and India are some emerging concerns that will have an impact on promoting a sustainable maritime transport operation in the region.

Proposed interventions were offered including: enhancing preparedness and response capabilities for oil spills; development of legal frameworks to support preparedness; regional and international cooperative agreements in oil spill response; research and development; and government-industry cooperation through the IMO-IPIECA Global Initiative for South East Asia.

- 2.3 **Mr. Ho Kim Lan, Viet Nam Seaports Association**, shared how Viet Nam's port industry contributed to blue economy in the region. He stressed that sea-based economy in Viet Nam has high potential for growth as reflected in the ports' performance in 2014 in terms of cargo throughput complemented by government policy on green development. To ensure continued growth, the port industry would need to: continue developing deep water ports; implementing government policy on green development (IMO, national legislation); promoting regional/international integration and cooperation; developing the potential market for consultancy services/products; and technology transfer. However, the industry is also facing some challenges, such as the lack of port authority system, low per capita income, inadequate transport infrastructure, high water pollution, inadequate waste treatment and disposal, low elevation, port state control (old ships, waste collection/disposal) with limited power to impose greener shipping activities while local conditions are still far from green economy standards. He stressed the importance of a roadmap towards a greener port business framework that would include: policies and regulations for sustainable development; transport infrastructure development; capacity development; and an incentive system for business and regional and international cooperation. In conclusion, he emphasized that Vietnam has excellent conditions to develop its port system with a comprehensive and integrated system and action plans for sustainable development and blue economy. The important role of the central government and stakeholders and the commitment of the port association (VPA) to assist in awareness building, capacity development and cooperative partnerships with other actors were underscored.
- 2.4 **Mr. David Davidson, Chevron Services Company**, introduced the initiatives of the oil and gas industry in strengthening preparedness and response to oil spill incidents highlighting the work of the Oil Spill Response Joint Industry Project (OSR-JIP). He emphasized that the April 2010 Gulf of Mexico (Macondo) oil spill incident, and the Montara incident in Australia have prompted the re-examination by industry not only of operational aspects of offshore operations, but also of an operator's ability to respond in the event of an oil spill incident or well blowout. He stressed that a number of lessons can be learned from these spill incidents which provided the industry an opportunity to further strengthen future preparedness and response initiatives for exploration and production operations and the maritime (shipping) community. He explained that the International Association of Oil and Gas Producers (IOGP) formed the Global Industry Response Group (GIRG), tasked with identifying learning opportunities both on causation and in respect of the response to the incident. The Oil Spill Response Joint Industry Project (OSR-JIP), a three-year Joint Industry Project was initiated to address the 19 subject areas resulting from the OGP GIRG-OSR project. Examples of current activities of the OSR-JIP project on dispersants, risk assessment and response planning, surveillance, modelling and visualization were discussed. He concluded his presentation by inviting the participants to access the outputs of the OSR-JIP which are available online, and include Good Practice Guides (GPG), short technical reports, research reports, and

communications & education materials. The OSR- JIP is managed by IPIECA on behalf of OGP in recognition of its long-standing experience with Oil Spill Response matters.

- 2.5 **Mr. Jose Maura, IOPC Funds**, presented the international regime of compensation for damage caused by oil pollution from tankers based on two international conventions: the 1992 Civil Liability Convention (1992 CLC) and the 1992 Fund Convention including issues that countries are facing regarding the implementation of these conventions. These Conventions were adopted under the auspices of the International Maritime Organization (IMO). The International Oil Pollution Compensation Funds (IOPC Funds) administer the 1992 Fund. He explained the importance of a global compensation regime for oil pollution, the three-tier system of the compensation regime and the compensation limits of each fund. The obligation of States that ratified these legal instruments and the need to implement them into their national law were emphasized. National legislation should identify, inter alia, the government authority responsible for the submission of oil reports and include provisions for the identification of any person in that State who is liable to contribute. It may also cover sanctions for non-payment of contributions. In order to fully avail of these compensations for oil spills, States must ensure that the national legislation is updated in line with the amendments to the limitation amounts when relevant, and that it stipulates which national courts have jurisdiction to hear claims for compensation under the Conventions. Governments should be proactive and work with claimants and compensation regime. He stressed that while a number of States have acceded to the CLC and Fund Conventions and have adopted appropriate legislation to implement them into national law, a number of Member States do not have such legislation in place, leading to potential issues in case of an incident affecting their coastlines.
- 2.6 Part 2 of the workshop focused on actions and initiatives of international and regional organizations and projects, national maritime administrations and port association in promoting environmental sustainability in the maritime sector.
- 2.7 **Ms. Franca Sprong, GIZ Sustainable Port Development in the ASEAN Project**, outlined the major achievements and results of the project to reduce and mitigate safety, health and environmental risks in the participating ports. She emphasized that the main objective of the project is to improve the quality and efficiency of ports through the implementation of Safety, Health and Environmental (SHE) Management in participating ports, with the ultimate goal of improving the quality of life for the workers and communities surrounding the ports. Twelve ports are actively participating in the project. The ports have introduced and implemented measures to mitigate environmental impacts related to air emissions, water quality, improvement of waste management and policies toward a green port, as a proactive approach of the ASEAN ports to ensure a sustainable port operation and to promote a Blue Economy. Examples of the best practices and initiatives in participating ports were presented including: cold ironing in the port of Cagayan de Oro, Philippines; emission inventories in Sabah port, Malaysia; waste management in Bangkok port

and port of Tanjung Priok; green port initiative in Johor port, Malaysia; wastewater treatment in Saigon port, Viet Nam; and traffic management plan in Bangkok port. Cold ironing is the process of providing shoreside electrical power to a ship at berth while its main and auxiliary engines are turned off. Ms. Sprong indicated that ASEAN ports are stepping up to improve environmental management in their ports and these proactive approaches contribute to the sustainability of port operations in the region and promote a blue economy for the seas of East Asia.

2.8 **Mr. Philip Ruck, IPIECA** presented developments of the ASEAN OSRAP, the current state of preparedness in the Southeast Asian region and detailed the activities of the Global Initiative for Southeast Asia (GISEA). He explained that the Global Initiative for Southeast Asia or GISEA is a partnership between the International Maritime Organization (IMO) and IPIECA, the global oil and gas industry association for environmental and social issues, which promotes government and industry cooperation in oil spill preparedness and response. Since its launching in 2013, the programme has assisted in the development of the national, sub-regional and regional capabilities in oil spill preparedness and response in the ASEAN region including: the updating of the national plans of Cambodia, Indonesia and Philippines; conducting a training on Incident Management System for the Gulf of Thailand countries; and participation in the discussions for the development of a regional oil spill contingency plan for the ASEAN region. The GISEA programme has been recognized by the Association of Southeast Asian Nations Maritime Transport Working Group (ASEAN MTWG) as the vehicle to assist in the implementation of the ASEAN OSRAP (Oil Spill Response Action Plan) Memorandum of Understanding (MoU).

2.9 **Mr. Darren Waterman, OSRL**, highlighted the importance of developing and operationalizing a tiered response capability to enable resources to be cascaded effectively to counter the full range of potential oil spill incidents. He further outlined the potential challenges faced by parties implementing a response effort. Mr. Waterman emphasized that the Montara (2009) and Macondo (2010) oil spill incidents led the international oil industry to re-examine the tiered preparedness and response (TPR) model to ensure it remained fit for purpose despite an evolving global risk profile. He stated that the new approach enables planners to develop more tailored response capabilities commensurate with risk. The main elements of a tiered preparedness and response approach to planning and common barriers to a successful response operation were presented. He introduced the Good Practice Guidance published by OGP-IPIECA Oil Spill Response Joint Industry Project (JIP) as a good reference for planners in developing response capabilities. He concluded his talk by putting forward some recommendations for ensuring a successful response operation, such as encouraging cooperation from key players, ensuring that personnel are appropriately trained and competent to perform their functions, identifying the required resources and their access, regular exercises and drills, and employing Net Environment Benefit Analysis NEBA to select the most appropriate response option.

2.10 Presentations on national initiatives related to sustainable development of ports and the maritime transport sector within the Philippines, Thailand and Vietnam were made by representatives from the respective national maritime administrations.

**Ms. Felisa Orongan, Philippine Maritime Industry Authority**, stressed the role of shipping, ports and the seafarers in the Philippine maritime transport system and in attaining inclusive growth and socioeconomic progress in the country. She emphasized that shipping remains the major infrastructure by which the country's 7,100 islands are strongly linked and connects the country to international commerce and trade. In addition, the Philippines was ranked as the world's fourth largest shipbuilding nation in 2014. In response to the challenge of contributing to blue economy, various initiatives/measures were also institutionalized in the shipbuilding and ship repair sub-sector including: the development of green ship design; incentivizing the use of green ships; encouraging investments in the newly constructed ships or brand new vessels in the domestic shipping; and implementation of progressive restriction of ship importation. She emphasized the role of the human element to ensure implementation and ships' compliance with relevant conventions to ensure safe, secure and efficient shipping as well as the protection of marine environment. Ratification and implementation of various IMO Conventions relating to protection of marine environment from shipping were highlighted.

**Mr. Pakorn Prasertwong, Thailand Marine Department**, presented Thailand's initiative in enhancing the inland waterway as a major intervention to reduce fuel consumption and greenhouse gases. This includes the development of a navigation channel in Chao Praya river, renovation of the main canal in Bangkok to improve water quality of the canal, and improvements in international marine transport including ship standards, safety in navigation, preparedness in marine pollution control and mitigation and provision of adequate port reception facilities. He indicated that Thailand is a party to MARPOL 73/78 Annex I and II and OPRC 1990 and is in the process of ratifying the CLC 1992 and Fund 1992. Efforts are also in place towards ratification of MARPOL Annex III, IV, V and VI, London Protocol, Ballast Water Management and Anti-fouling Systems conventions.

**Mr. Do Duc Tien, Viet Nam Maritime Administration**, emphasized that the Viet Nam Marine Strategy 2020, which identifies specific targets to turn the country into a powerful maritime nation by 2020. The strategy will develop maritime policies and strategies for seaport, sea transport, logistics, maritime services, human resource development and shipbuilding and repairs. Specific developments plans for each subsector (seaport system, shipping and shipbuilding industry) have been developed. He outlined major achievements in the implementation of the Strategy particularly the issuance of the Prime Minister's Decision on the implementation of a Plan of Action that clearly defines the content and key tasks and also recommends monitoring and implementation of indicators for sustainable development in the marine industry. Other achievements include the management of reception and treatment of oily liquid waste from seagoing ships at Vietnamese ports, ratification and implementation of IMO conventions relating to marine environment such as MARPOL Annex III, IV, V and VI, Ballast Water Management and AFS Conventions.

### 3. WORKSHOP CONCLUSIONS AND RECOMMENDATIONS

The following conclusions and recommendations were generated from the presentations and moderated discussions:

#### Conclusions

- 3.1 Growth potential of the maritime sector.** Shipping, port and oil and gas industries are major contributors to economic and social developments in the EAS region. Recent trends in these sub-sectors indicated increased opportunities and investments that would promote a blue economy in the EAS region.
- 3.2 Ratification and implementation of IMO Conventions.** Ratification and implementation of IMO conventions and other international and regional instruments on marine environment protection help promote environmental sustainability in the maritime sector specifically through improved regional and national governance and comprehensive policies.
- 3.3 Sustained efforts to mitigate environmental impacts.** Increase in shipping traffic and growing demand for the transport of oil by sea means increased risks to the marine environment. Prevention and mitigation measures for oil spill incidents have been given significant attention by international and regional organizations, national governments and industry players who have helped improve oil spill preparedness and build capacities in the EAS region.
- 3.4 Government and industry cooperation** are effective means of promoting environmental sustainability in the maritime sector.

#### Recommendations

- 3.5** Governments should put in place the mechanisms necessary to ratify/accede to IMO Conventions, such as MARPOL 73/78, OPRC 90, BWM 2004, AFS 2001, CLC 92, Fund 92, HNS Conventions, OPRC-HNS in order to prevent, mitigate and reduce marine pollution by ships and gain access to compensation for damages caused by oil, and HNS spills in the circumstances stipulated in the said instruments.
- 3.6** Governments should strengthen legislation, and develop comprehensive maritime policies, strategies and action programmes to promote a sustainable maritime transport system that enables growth of the maritime economy in the EAS Region.
- 3.7** Countries in the region should strengthen government-industry cooperation in building capacities for oil spill preparedness and response to sustain efforts in promoting a sustainable maritime transport system in the region.
- 3.8** Countries in the region should recognize the role of stakeholders and industry in strengthening capacities in oil spill preparedness and response and consider facilitating partnerships and cooperative arrangements with relevant organizations;



- 3.9 Countries in the region need to consider establishing mechanisms for strengthening regional and sub-regional arrangements for marine pollution, preparedness and response and effective operational response integration from regional to local levels.
- 3.10 Countries in the region should recognize the important role of PEMSEA in facilitating the implementation of IMO international instruments and other relevant instruments at the regional, national and local levels.

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