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**STRATEGY, PLANNING AND REFORM**

**Report of the Working Group on the development of a new strategic framework**

**Introduction**

1 The Working Group on the Development of a new strategic framework, chaired by Miss Katy Ware (United Kingdom), met from 5 to 7 December 2016.

2 The meeting was attended by representatives from the following Member Governments:

ARGENTINA	MARSHALL ISLANDS
AUSTRALIA	MEXICO
BAHAMAS	MOROCCO
BRAZIL	NETHERLANDS
CANADA	NIGERIA
CHILE	NORWAY
CHINA	PANAMA
CYPRUS	PERU
DENMARK	PHILIPPINES
FINLAND	REPUBLIC OF KOREA
FRANCE	RUSSIAN FEDERATION
GERMANY	SINGAPORE
GREECE	SOUTH AFRICA
INDONESIA	SPAIN
IRAN (ISLAMIC REPUBLIC OF)	SWEDEN
JAPAN	SYRIAN ARABIC REPUBLIC
KENYA	THAILAND
LIBERIA	TURKEY
MALAYSIA	UNITED KINGDOM
MALTA	UNITED STATES

the following intergovernmental organizations in consultative status:

EUROPEAN COMMISSION

IMSO

and the following non-governmental organizations in consultative status:

IACS

ITF

### **Terms of reference**

3 Taking into account the comments and decisions made at C 117 on Monday, 5 December, and the documents submitted to the session (C 117/3 and C 117/3/4), the Working Group was instructed to:

- .1 prepare the text to be included in the new strategic framework for the Organization for the 2018-2023 period in relation to the:
  - .1 Strategic Directions (C 117/3, paragraphs 12-34 of the annex);
  - .2 context section (C 117/3, paragraphs 3-10 of the annex);
  - .3 Vision Statement (C 117/3, paragraph 2 of the annex); and
- .2 submit a report to Council on Wednesday, 7 December 2016.

### **Strategic Directions**

4 The Working Group had an extensive discussion on the proposed text in document C 117/3/4. In respect of the proposal to make specific reference to the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 in SD 1, it was agreed that the text put forward in C 117/3/4 should remain generic and therefore no reference to the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 was made.

5 In respect of SD 2, C 117/3/4 requested to include specific reference to new technologies such as the Internet of Things, big data, artificial intelligence and autonomous operations and to invite IMO to consider a way for a more data driven approach in the decision-making process. However, the majority of the Group did not favour specific references to these emerging technologies and the approach and, as such, the Group decided that SD 2 should remain generic in respect of the terminology "new technologies". It was however agreed that "new technologies" should be expanded to "new and advancing technologies".

6 In relation to the matter of autonomous vessels, automation and remote operations, the Working Group had an extensive discussion on the inclusion of these specific technologies in SD 2. The Working Group noted the discussions of the second session of the Working Group on the Development of a New Strategic Framework, where it was agreed that autonomous vessels were not a challenge that IMO was likely to face in the period 2018-2023. It was, however, acknowledged that automation and remote operation will be a challenge that IMO will face in the 2018-2023 period. Proposals were presented to the Group to include automation and remote operations in SD 2; however the Group was of the view that these were specific examples of technological developments that were covered by the generic wording of "new and advancing technologies". The amended text of the Strategic Directions is set out in paragraphs 11–34 of the annex.

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## Context section

7 It was agreed to rephrase the section to "Overarching principles" in the recognition that the three topics, people, 2030 Agenda for Sustainable Development and outreach, needed to be considered throughout the work of the Organization, and within the context of the Strategic Directions.

8 Taking into account the views expressed in plenary, the Group considered whether there was a need for a specific strategic direction on the human element, or if this multi-faceted issue could be incorporated in the overarching principles in the context of "people". After substantial debate, whilst there was strong preference from some delegations to include a specific strategic direction, the majority of the Group favoured text in respect of the human element within the overarching principles and, in doing so, reiterated that the human element was a multi-faceted issue that should be considered within the context of all of the Strategic Directions. The new text can be found in paragraphs 4 and 5 of the annex. It was further recognized that, in the next stage of the process, the overarching principles may need to be considered when developing the performance indicators.

9 Two delegations expressed concerns regarding the decision made not to develop a SD on human aspects of TDCs, in particular the fact that the reasons retained to consider these aspects as overarching principles could also have applied to other SDs such as organizational effectiveness. Therefore, this lack of common decision in response to similar issues can impair the clarity of the strategic plan as well as future development of performance indicators.

## Vision Statement

10 The Group had an extensive discussion on the Vision Statement, and it was agreed that there should be two elements to the Vision Statement. The first element should describe what the Organization will achieve over the six-year period of the Strategic Plan, and the second element should describe how the Organization will achieve the strategic vision over the six year period. The new text can be found in paragraph 2 of the annex.

11 In considering whether or not the term "international shipping" or "shipping" should be used in the Vision Statement, it was agreed to align the text with the Mission Statement and refer to "shipping". However, one delegation was of the view that the Vision Statement should be understood in the context of the mandate of IMO to regulate all aspects of international shipping, and underlined that IMO had no prerogative to regulate domestic shipping.

## Strategic Plan

12 It was suggested that the overall title for the final document should be renamed as the "Strategic Plan for the Organization for the six-year period 2018-2023". In doing so, it was recognized that there were further additions to be made to the document following the next stage of the process, including the performance indicators.

## Action requested of the Council

13 The Council is invited to approve the report in general and, in particular, to consider, with a view to approval:

- .1 the Strategic Directions as set out in the annex, paragraphs 11-34.
- .2 the overarching principles as set out in the annex, paragraphs 3-10; and
- .3 the Vision Statement as set out in the annex, paragraph 2.

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## ANNEX

### DRAFT STRATEGIC PLAN FOR THE ORGANIZATION FOR THE SIX-YEAR PERIOD 2018-2023

#### MISSION STATEMENT<sup>1</sup>

1 The mission of the International Maritime Organization (IMO), as a United Nations specialized agency, is to promote safe, secure, environmentally sound, efficient and sustainable shipping through cooperation. This will be accomplished by adopting the highest practicable standards of maritime safety and security, efficiency of navigation and prevention and control of pollution from ships, as well as through consideration of the related legal matters and effective implementation of IMO instruments, with a view to their universal and uniform application.

#### VISION STATEMENT

- 2 The vision for the International Maritime Organization for the period 2018-2023 is:
- .1 IMO will uphold its leadership role as the global regulator of shipping, promote greater recognition of the sector's importance and enable the advancement of shipping, whilst addressing the challenges of continued developments in technology and world trade; and the need to meet the 2030 Agenda for Sustainable Development.
  - .2 To achieve this, IMO will focus on review, development and implementation of and compliance with IMO instruments in its pursuit to proactively identify, analyse and address emerging issues and support Member States in their implementation of the 2030 Agenda for Sustainable Development.

#### OVERARCHING PRINCIPLES FOR THE ORGANIZATION'S STRATEGIC PLAN 2018-2023

3 The Strategic Plan identifies the Strategic Directions on which particular focus will be placed in the 2018-2023 period. IMO's organs will continue their work to fulfil the purposes of the Organization, as per Article 1 of the IMO Convention, whilst sustaining the system of global maritime legislation and ensuring the level playing field for all States involved in international shipping. In doing so, IMO will uphold its leadership role in ensuring a balance for international shipping between the needs for economic development, facilitation of international trade, safety, security and environmental protection. IMO will ensure that the views of all stakeholders are taken into account in its decision-making processes and continue to pay particular attention to the needs of developing countries, especially those of Small Island Developing States and Least Developed Countries.

4 The safety and security of life at sea; protection of the environment; and the world's trade depend on the competence and professionalism of the personnel employed or engaged in the maritime sector, who need to have the relevant skills and understanding to ensure that IMO instruments are effectively reviewed, developed, implemented, applied and enforced.

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<sup>1</sup> As set out in resolution A.1097(29).

4bis The expansion of the global fleet and the acceleration in the development of new and advancing technologies increase the demands on the seafarers. IMO will take into account the human element in the review, development and implementation of new and existing requirements, including skills; education and training; human capabilities, limitations and needs.

5 IMO, throughout its work, will take into account the needs and wellbeing of the seafarers and, in doing so, will always attach the utmost importance to education and training, as well as the promotion of gender equality and the empowerment of women.

6 As a specialized agency of the United Nations, IMO has an important role to play in achieving the 2030 Agenda for Sustainable Development (2030 Agenda). The adoption of the 2030 Agenda, including its 17 Sustainable Development Goals (SDGs) and 169 targets, marks a historic agreement among the 193 United Nations Member States to forge a sustainable pathway of action for people, the planet and prosperity.

7 Shipping is an essential element of sustainable economic growth as it is the most environmentally sound mode of transport with the lowest carbon footprint per unit of cargo transported. Along with other transport modes, shipping is an important enabler for a substantial number of SDGs.

8 IMO is fully committed to achieving the 2030 Agenda and the SDGs, including aligning its programmes and initiatives to support Member States. The Organization, its Member States, civil society and the maritime industry will continue working together to strengthen the path towards sustainable development.

9 IMO will also maintain and where relevant strengthen its collaboration with other bodies in the United Nations system as well as parties at global, regional and national level.

10 The Organization will continually demonstrate to its stakeholders that IMO is delivering on its objectives successfully and effectively. Through stakeholder outreach, the Organization will promote its work as essential to ensure a safe, secure, environmentally sound and sustainable shipping sector.

## **STRATEGIC DIRECTIONS**

11 As IMO continues to carry out its work, the following Strategic Directions set out the areas of particular focus for the 2018-2023 period.

### **SD 1: Improve implementation**

12 IMO has almost 60 years of experience, developing more than 50 international treaties, together with the related standards, guidelines and other texts. Only through the entry into force of those instruments and the effective, efficient and consistent implementation and enforcement of their provisions can the full benefits from this extensive body of international law be realized. To that end, the current situation demands that IMO place increased focus on implementation of IMO instruments as well as promotion of the entry into force of instruments.

13 IMO's crucial role in the creation of a level playing field for its Members can only be achieved through effective and uniform implementation of IMO's instruments, their enforcement by the States parties to them, and full compliance by the States concerned and the shipping industry.

14 IMO will provide States and the industry with the information they need to better identify and understand barriers to implementation, and will consider ways to eliminate them, including through the analysis of the findings from the Member State Audit Scheme and/or data from other sources. IMO will promote the exchange of best practices amongst all stakeholders.

15 To achieve the goal of uniform implementation IMO will continue to develop and execute projects to provide targeted capacity building and technical cooperation that fosters, promotes and supports implementation efforts, especially those of the developing countries, and will continue to pay particular attention to the needs of Small Island Developing States and Least Developed Countries.

### **SD 2: Integrate new and advancing technologies in the regulatory framework**

16 As technological development accelerates, new and advancing technologies will significantly affect shipping, creating a more interconnected and efficient industry more closely integrated with the global supply chain. New and advancing technologies have already brought about changes, at all levels, in the way ships are designed, constructed, equipped and operated, and has had equal impact on personnel, both on board and on shore. Such technologies may also provide access to a large amount of data associated with shipping.

17 Since technological advances present opportunities as well as challenges, their introduction needs to be considered carefully in order for them to be accommodated appropriately into the regulatory framework of the Organization. This involves balancing the benefits derived from new and advancing technologies against safety and security concerns, the impact on the environment and on international trade facilitation, the potential costs to the industry, and finally their impact on personnel, both on board and ashore.

18 IMO's regulatory framework will be continuously adapted to the challenges and global developments facing the shipping industry in order to ensure safety, security and environmental protection. The Organization will strive towards a legal framework that accommodates new and advancing technologies and approaches by being technology neutral through the development of IMO instruments and performance standards without preference or hindrance of one technology over another.

### **SD 3: Respond to climate change**

19 With the adoption of the 2030 Agenda and the Paris Agreement at COP 21, climate change has been recognized as one of the greatest challenges of our time, a phenomenon whose consequences has negative impacts on the planet and which can undermine the ability of all countries to achieve sustainable development.

20 Although shipping is one of the most energy-efficient modes of transportation and has already increased its energy efficiency and reduced emissions, the shipping industry continues to pursue strategies to reduce emissions worldwide. Having already developed global regulations on energy efficiency for ships, the Organization will continue to consider further measures to ensure that international shipping continues to bear its responsibility in addressing climate change.

21 In its role as the global regulator of international shipping, IMO will develop appropriate solutions to reduce the shipping industry's contribution to air pollution and its impact on climate change. With the shipping industry's support, IMO will develop a comprehensive IMO strategy on reduction of GHG emissions from ships which will be ambitious and realistic.

#### **SD 4: Engage in ocean governance**

22 The use of the world's oceans is intensifying as a result of the continuing increase in the exploration and use of marine resources and opportunities they provide, as well as, the pressure to preserve marine spaces for users other than the industry.

23 To ensure the sustainable development of activities in the marine space, such activities have to be balanced with the capacity of the oceans to remain healthy and diverse in the long term.

24 In the discussion on ocean governance and development of activities in the marine space, IMO, actively working in collaboration with other relevant bodies, should ensure that the use of marine spaces does not disproportionately limit the ability of shipping to support and contribute to the global economy, socioeconomic progress and development, and assist in the delivery of related aspects of the SDGs.

#### **SD 5: Enhance global facilitation and security of international trade**

25 Shipping moves around 80%<sup>2</sup> of world trade, making it an integral part of the global economy and supply chain. The prevention of disruption to international shipping is therefore in the interest of all. Continued effort is needed to ensure that ships move from port to port without undue delay arising from arrival and departure formalities to provide for safe transportation and effective facilitation of international trade, and to ensure that appropriate security measures are in place on all international voyages.

*25bis* Threats such as piracy and armed robbery against ships could disrupt international trade, threaten lives, and increase the burden on maritime transport. Furthermore, to ensure the security of the maritime transport network, including vital shipping lanes, the IMO will continue to raise awareness of IMO measures for security and to encourage a cooperative approach among Member States and stakeholders.

*25ter* Shipping operations are increasingly dependent on electronics and digital technologies and as such are exposed to cyber risks. The Organization will continue to monitor the issue and encourage a cooperative approach among Member States and stakeholders.

26 Electronic transmission of relevant information, such as, but not limited to, documents and certificates, simplifies communications between ships, ports and authorities and reduces administrative burden for those on board and ashore. The challenge is to ensure that information is transmitted securely in universally accepted form and is verifiable. To take full advantage of the electronic exchange of information, closer cooperation is needed between authorities and the industry at the national and, in certain instances, regional levels.

27 To achieve this, IMO will seek further international consensus on reducing, simplifying and standardizing the information required. It will develop global solutions that reduce the burdens by facilitating electronic information exchange which balance the needs of authorities ashore with the interest of the shipping industry.

#### **SD 6: Ensure regulatory effectiveness**

28 IMO's main role as the global regulator of safe, secure and environmentally sound shipping requires it to ensure that a universally adopted, effective, international regulatory framework is in place and implemented consistently, embracing and integrating new and advancing technologies, without causing unnecessary burdens.

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<sup>2</sup> UNCTAD (2015). Review of Maritime Transport 2015.



29 The current approach and practices draw on IMO's extensive experience in developing and adopting standards for international shipping. Reviewing them makes it possible to identify improvements, enhance the effectiveness of the existing IMO instruments and better assess the need for new regulations which take into account the impacts and benefits of proposed measures. The process of capturing and analysing information on the implementation of existing IMO instruments should build on the Member State Audit Scheme and its outcomes, in conjunction with in-depth analysis of data.

30 IMO's instruments must continue to be globally implemented and applicable, and will continue to ensure a level playing field. Information should be systematically fed back into the regulatory processes of the Organization to allow it to make informed decisions for reviewing existing regulations and developing new ones.

### **SD 7: Ensure organizational effectiveness**

31 To successfully achieve the Organization's vision and respond to current and future challenges, IMO will improve its working practices, where needed, and foster broader participation by Member States in its work and decision-making, including through the use of appropriate technologies. To effectively facilitate its work and improve knowledge sharing, the Organization will consider means of strengthening its technical and analytical capabilities to collect, manage, analyse and report on relevant information and data.

32 IMO will continue to introduce and implement best practices in its activities, delivering efficient and effective processes to deal with the ever-changing work of the Organization, thereby ensuring that Member States, donors and other partners receive the best value for the resources they provide.

33 The motivated and skilled staff who lie at the heart of the Organization's success are essential to its ability to respond effectively to changing demands. IMO will ensure that the Secretariat continues to be equipped with the required competencies and structured appropriately to support the work of the Organization.

34 IMO will continue to manage and utilize its financial resources effectively. In this regard, the continued commitment of Member States in the provision of financial resources that meet the Organization's expenditures and to continually provide, together with other donors, adequate sources of funding for the Organization's activities. In its technical cooperation work, IMO will endeavour to establish new and further develop existing long-term strategic donor relationships and to optimize other sources of funding.

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