

COUNCIL
120th session
2-6 July 2018

C 120/WP.1
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DRAFT SUMMARY OF DECISIONS

GENERAL

The 120th session of the Council was held from 2 to 5 July 2018 [(with no session on Friday, 6 July 2018)] and was chaired by Mr. Xiaojie Zhang (China).

INVITATION TO NON-MEMBERS OF THE COUNCIL TO ATTEND THE SESSION

The session was attended by non-members and observers as listed in document C 120/INF.1.

Audio file: Monday, 2 July 2018: a.m.

1 ADOPTION OF THE AGENDA (agenda item 1)

1.1 The Council adopted the agenda and its provisional timetable, contained in documents C 120/1 and C 120/1/1, as amended by the Chair.

Reference documents: C 120/1 and C 120/1/1.

Audio file: Monday, 2 July 2018: a.m.

2 ELECTION OF THE VICE-CHAIR OF THE COUNCIL (agenda item 2)

2.1 Mr. Edmundo Deville del Campo (Peru) was elected as the Vice-Chair of the Council by acclamation.

Reference documents: C 120/2 and C 120/2/1

Audio file: Monday, 2 July 2018: a.m.

3 REPORT OF THE SECRETARY-GENERAL ON CREDENTIALS (agenda item 3)

3.1 With reference to rule 9 of its Rules of Procedure, the Council noted the Secretary-General's report that the credentials of all Council Member delegations attending the session were found to be in order.

Reference document: C 120/3

Audio file: Monday, 2 July 2018: a.m.

4 STRATEGY, PLANNING AND REFORM (agenda item 4)

4.1 The Council noted the information set out in documents C 120/4, C 120/4/1, C 120/4/2, C 120/4/3, C 120/4/4, C 120/4/5 (Antigua and Barbuda, Australia, Bahamas Canada, Georgia, Guatemala, Islamic Republic of Iran, Jamaica, Liberia, Spain, Ukraine and United Arab Emirates), C 120/4/6 (Guatemala), C 120/4/7 (Denmark and Spain), C 120/4/8 (Liberia) and C 120/5/1, as well as that provided orally by the Secretary-General, and the delegations of Australia, Guatemala and Denmark, on strategy, planning and reform.

4.2 With regard to document C 120/4, the Council, in particular, noted the final assessment of the 2016-2017 Risk Management Exercise and the information on the Secretariat's Risk Management Exercise for the current biennium.

4.3 In relation to document C 120/4/1, the Council agreed on the draft reporting timeline for the 2018-2019 biennium; and also agreed that the reporting timeline for the cycle could be further discussed, together with the first report by the Secretariat, at C 121, and adjusted as necessary.

4.4 With regard to document C 120/4/7, the Council agreed, in principle, that the performance indicator on safety should be included in the Organization's Strategic Plan 2018-2023, during the review later in the current biennium; requested the Secretariat to provide the Council, at its next session, with exemplary analysis of any relevant data collection and assessment of performance indicators on safety, environmental protection and security, and, in this regard, also requested Member States to submit detailed proposals at that session.

4.5 With regard to document C 120/4/2, the Council expressed its appreciation to the Secretariat for the work carried out on the alignment of the SDGs with the strategic directions and outputs and invited Member States to submit further proposals on how the alignment could be further enhanced, for consideration at C 121.

4.6 The Council agreed to establish a working group at C 121 to meet in parallel with the plenary session, to consider:

- (i) the first report of the performance indicators;
- (ii) the exemplary analysis of any relevant data collection and assessment of a performance indicators on safety, environmental protection and security; and
- (iii) the outcome of C 120 in relation to the draft alignment of the strategic directions and outputs to the SDGs.

4.7 With regard to document C 120/4/4, on the update on the Functional Review, the Council:

- (i) welcomed the Secretary-General's leadership on the project; and
- (ii) noted the progress made to date on the project; and looked forward to further updates as they became available.

4.8 With regard to documents C 120/4/5, C 120/4/6 and C 120/4/8, the Council agreed, in principle, that it was timely to consider reforms to the Council to better position the Organization to achieve its objectives and, to this end:

- (i) agreed on the establishment of an open-ended working group, to meet at C 121, to consider in more detail, the various Council reform proposals contained in the documents;
- (ii) invited Member States to submit, at C 121, further proposals under the broader heading "Council reforms";

- (iii) requested the Chair and Vice-Chair, in consultation with the Secretary-General, to prepare draft terms of reference to be agreed by the Council prior to the convening of the working group;
- (iv) requested the Secretariat to provide any relevant information on the composition and functions of the councils or equivalent governing bodies of other United Nations system organizations, in particular those of other specialized agencies, as appropriate, for consideration at C 121; and
- (v) requested the Secretariat to provide information on any technical, administrative and financial implications of the Council reform proposals for consideration at C 121.

4.9 With regard to document C 120/4/3, the Council:

- (i) authorized the release of the audio files of the plenary meetings only of the Assembly to the public;
- (ii) removed any restriction explicit or implied on sponsors of documents, so that those who wish to release their documents to the public via IMODOCS prior to a meeting can do so;
- (iii) authorized the release of Secretariat documents pre-meeting for committee meetings, with the ability for committees to designate specific Secretariat documents as private and non-releasable in advance;
- (iv) authorized the release of Council documents on IMODOCS to the public after a period of three years;
- (v) authorized the Secretariat to report on the outcome of meetings prior to the meeting's conclusion, if necessary and appropriate, and only after the discussion of the relevant agenda item has been concluded; and
- (vi) agreed to NGOs and IGOs being given access to the Treaties section of IMODOCS.

4.10 With regard to document C 120/5/1, the Council decided to discuss this matter further at C 121.

Reference documents: C 120/4, C 120/4/1, C 120/4/2, C 120/4/3, C 120/4/4, C 120/4/5, C 120/4/6, C 120/4/7, C 120/4/8 and C 120/5/1

Audio files: Monday, 2 July 2018: a.m. and p.m.
Tuesday, 3 July 2018: a.m. and p.m.

5 RULES OF PROCEDURE OF THE ASSEMBLY (agenda item 5)

5.1 The Council noted the information set out in documents C 120/5 and C 120/5/2, as well as that provided orally by the Secretary-General on the Rules of Procedure of the Assembly.

5.2 With regard to document C 120/5, on the submission of credentials under rules 9 and 10 of the Rules of Procedure of the Assembly, the Council recommended to the Assembly to continue the current IMO practice regarding credentials, without amending rule 9 of its Rules of Procedure, as follows:

- (i) copies of credentials submitted by delegations should be accepted subject to the originals being furnished as soon as possible;
- (ii) all delegations (including those whose credentials have either not been received or not been examined or examined but not been found to be in order, as well as delegations to whose admission objections have been raised) should be seated provisionally with the same rights of participation, excluding voting; and
- (iii) delegations which are seated provisionally shall only vote if they subsequently, before the voting takes place, submit credentials, which are signed by an authorized person, in original form, or copies of credentials subject to the subsequent submission of originals.

5.3 The Council further recommended to the Assembly to amend rule 10 of the Rules of Procedure of the Assembly to read as follows:

Rule 10

A credentials committee shall be appointed at the beginning of each session of the Assembly. It shall consist of five members who shall be appointed by the Assembly on the proposal of the President. The Credentials Committee shall examine the credentials of delegations and report without delay. In examining the credentials, the Credentials Committee may recommend provisional acceptance of copies of credentials, or acceptance of those transmitted late, and shall report the same to the Assembly.

5.4 The Council requested that, in line with technological advances, the Secretary-General examine the possibility of accepting electronically transmitted credentials, while maintaining their integrity and formal requirements, and submit a report at C 121.

5.5 With regard to document C 120/5/2, proposing amendments to rule 40 of the Rules of Procedure of the Assembly, the Council decided to defer the matter to C 121. In this regard, the Council requested the Secretariat to provide additional information for consideration and also requested that Council Members provide further views and proposals.

Reference documents: C 120/5 and C 120/5/2

Audio file: Tuesday, 3 July 2018: p.m.

6 RESOURCE MANAGEMENT (agenda item 6)

(a) Human resources matters, including amendments to the Staff Regulations and Staff Rules

6(a).1 The Council noted the information set out in documents C 120/6(a), C 120/6(a)/1, C 120/6(a)/2, as well as that provided orally by the Secretary-General, on human resources matters, including amendments to the Staff Regulations and Staff Rules.

Reference documents: C 120/6(a), C 120/6(a)/1 and C 120/6(a)/2

Audio file: Tuesday, 3 July 2018: p.m.

(b) Financial report and audited financial statements for the financial period ended 31 December 2017

6(b).1 The Council noted the information set out in document C 120/6(b), as well as that provided orally by the Secretary-General and the Auditor-General of Ghana, reporting on the Organization's financial report and audited financial statements for the financial year ended 31 December 2017, and the External Auditor's opinion and report thereon.

6(b).2 With regard to document C 120/6(b), the Council:

- (i) noted the Organization's financial report, the statement on internal control and the audited financial statements for the financial year ended 31 December 2017;
- (ii) welcomed the unqualified opinion of the External Auditor;
- (iii) expressed its appreciation to the External Auditor for his report; and
- (iv) welcomed the Secretary-General's stewardship of the Organization's Funds and his report to the Council.

6(b).3 The Council decided to forward the Organization's audited financial statements for the financial year ended 2017 and the External Auditor's report and opinion thereon to the thirty-first regular session of the Assembly.

Reference document: C 120/6(b)

Audio file: Wednesday, 4 July 2018: a.m.

(c) Report on investments for 2017

6(c).1 The Council noted the information set out in document C 120/6(c), as well as that provided orally by the Secretary-General, reporting on investments in 2017.

Reference document: C 120/6(c)

Audio file: Tuesday, 3 July 2018: p.m.

(d) Report on the status of Member States' contributions and implementation of Article 61 of the IMO Convention, and advances to the Working Capital Fund

6(d).1 The Council noted the information set out in document C 120/6(d), as well as that provided orally by the Secretary-General, reporting on the status of Member States' contributions to the General Fund and Working Capital Fund as at 31 May 2018, as well as on the implementation of Article 61 of the IMO Convention relating to the right to vote.

6(d).2 The Council, in particular:

- (i) noted the additional update provided by the Secretary-General in respect of the Commonwealth of Dominica meeting its obligations in full, and the Union of the Comoros and the Federal Republic of Somalia making partial payments of their arrears consistent with the terms of the waiver granted by the last Assembly;
- (ii) urged all Member States to fulfil their financial obligations; and
- (iii) reiterated its firm stance on the strict enforcement of Article 61 of the IMO Convention.

Reference document: C 120/6(d)

Audio file: Wednesday, 4 July 2018: a.m.

(e) Budget considerations for 2018

6(e).1 The Council noted the information set out in document C 120/6(e), as well as that provided orally by the Secretary-General, on budget considerations for 2018.

6(e).2 The Council, in particular, noted:

- (i) the review of the key budget assumptions and risks;
- (ii) the forecast level of the regular budget expenditure for 2018, expected to be kept within the approved appropriation;

- (iii) the income and expenditure and forecast in the Trading Fund and the consequential in-year surplus distribution;
- (iv) the expenditure status of the Headquarters Capital Fund, the Training and Development Fund and the Technical Cooperation Fund; and
- (v) the expenditure status of the Termination Benefit Fund.

6(e).3 The Council approved the proposed revised budget for the Termination Benefit Fund, to be funded from the resources available in the regular budget.

6(e).4 The Council further noted:

- (i) the funding and delivery of the Organization's extra-budgetary programmes;
- (ii) that a total of £1.52 million across all of the Organization's funds was contractually committed in 2017 for goods and services which were not delivered by the end of that year, and that this expenditure would be recognized on delivery during the course of 2018 in accordance with IPSAS, with committed funds from the 2017 budget remaining available to meet that expenditure in accordance with Financial Regulations 4.3 and 4.4; and
- (iii) the summary and the Secretary-General's conclusion that, as a whole, expenditure for 2018 can be contained within the budgets approved for all funds, and his intention to present an updated review of budgetary prospects at C 121.

6(e).5 The Council authorized the Secretary-General to make, as and when necessary, timely transfers between strategic directions (including "Other work") to the extent that balances are available to cover or reduce deficits in strategic directions (including "Other work") appropriation balances, in accordance with the Organization's Financial Regulations and Financial Rules.

Reference document: C 120/6(e)

Audio file: Wednesday, 4 July 2018: a.m.

(f) Review of funds and ASHI liability funding strategy

6(f).1 The Council noted the information set out in documents C 120/6(f) and C 120/6(f)/1, as well as that provided orally by the Secretary-General, on the Organization's After Service Health Insurance (ASHI) liabilities, and the work of the Secretariat on its fund management and fund structure, respectively.

6(f).2 With regard to document C 120/6(f), the Council expressed its appreciation to the Secretary-General for his proactive approach in addressing the issue of ASHI and, in particular:

- (i) recognized the significance of the ASHI liability issue affecting IMO and the urgent need for a long-term sustainable funding solution taking into account the need to minimize the burden on Member States to the extent possible;
- (ii) encouraged the Secretariat to continue as a participant in the United Nations ASHI Working Group, which is reviewing all aspects of costs and the liability with a view to minimize both in the longer term; and
- (iii) requested that the Secretary-General submit, at C 121, the impact of the options provided, as well as any additional options that may be available to address both funding for the current costs and the ASHI liability, taking into account the comments made by Member States during C 120.

6(f).3 With regard to document C 120/6(f)1, the Council, in particular, appreciated the Secretary-General's work on the Organization's fund structure, welcomed the content of the document and noted that the Secretary-General would report to the Council on progress in this area in due course.

Reference documents: C 120/6(f) and C 120/6(f)/1

Audio files: Wednesday, 4 July 2018: a.m. and p.m.

7 IMO MEMBER STATE AUDIT SCHEME (agenda item 7)

7.1 The Council noted the information set out in document C 120/7, as well as that provided orally by the Secretary-General, on the IMO Member State Audit Scheme.

7.2 The Council, in particular:

- (i) endorsed the inclusion of Armenia in the current audit cycle and the revised overall audit schedule set out in the annex to the document, including the decision to postpone the audits of San Marino, the former Yugoslav Republic of Macedonia, the Syrian Arab Republic, Uganda and Zimbabwe, for the reasons provided in paragraphs 4, 5, 8 and 9 of the document;
- (ii) invited those Member States scheduled to be audited after 2019 and which would be prepared to have their audits brought forward to 2019, to inform the Secretary-General accordingly, before November 2018;
- (iii) encouraged Member States to provide the Secretariat with details of the individuals authorized to access Member State audit reports through the GISIS module, as per Circular Letter No.3587;
- (iv) invited those audited Member States whose target deadlines for the implementation of the corrective action plan had been reached, to provide the Secretariat with their comments on the progress of the implementation of their corrective action plans; and
- (v) encouraged auditors to update their profiles in the E-roster, and also encouraged individuals nominated for inclusion in the roster of auditors, as well as Member States nominating such individuals, to use the procedures set out in Circular Letter No.3547.

Reference document: C 120/7

Audio file: Wednesday, 4 July 2018: p.m.

9 CONSIDERATION OF THE REPORT OF THE LEGAL COMMITTEE (agenda item 9)

9.1 The Council noted the information set out in document C 120/9, as well as that provided orally by the Chair of the Legal Committee and the Secretary-General, reporting on the outcome of the 105th session of the Committee.

9.2 The Council, in particular:

- (i) endorsed the Committee's decision on the status of outputs, including two new outputs, for the current biennium (2018-2019);
- (ii) endorsed the planned agenda for the 106th session of the Committee; and
- (iii) authorized one additional session of interpretation for LEG 106, that is, a three-day meeting with six full sessions of interpretation, in view of the decision of the Committee to include two new outputs on its biennial agenda and the related workload.

9.3 The Council approved the report of the 105th session of the Committee in general and transmitted it, with its comments and recommendations, to the Assembly at its thirty-first session, in accordance with Article 21(b) of the IMO Convention.

Reference document: C 120/9

Audio file: Wednesday, 4 July 2018: p.m.

10 CONSIDERATION OF THE REPORT OF THE MARINE ENVIRONMENT PROTECTION COMMITTEE (agenda item 10)

10.1 The Council noted the information set out in document C 120/10, as well as that provided orally by the Chair of the Marine Environment Protection Committee and the Secretary-General, reporting on the outcome of the seventy-second session of the Committee.

10.2 The Council endorsed the holding of two intersessional meetings: of the ESPH Working Group, in 2019; and of the fourth meeting of the Intersessional Working Group on Reduction of GHG emissions from ships, from 15 October to 19 October 2018.

10.3 The Council approved the report of the seventy-second session of the Committee in general and transmitted it, with its comments and recommendations, to the Assembly at its thirty-first session, in accordance with Article 21(b) of the IMO Convention.

Reference document: C 120/10

Audio file: Tuesday, 3 July 2018: a.m.

11 CONSIDERATION OF THE REPORT OF THE MARITIME SAFETY COMMITTEE (agenda item 11)

11.1 The Council noted the information set out in document C 120/11, as well as that provided orally by the Chair of the Maritime Safety Committee and the Secretary-General, reporting on the outcome of the ninety-ninth session of the Committee.

11.2 The Council endorsed:

- (i) the decision of the Committee to extend the NCSR Sub-Committee's meeting time for each session to eight days, for a trial period of two sessions starting from NCSR 6 in 2019;
- (ii) the decision of the Committee to include two new outputs in its 2018-2019 biennial agenda; and
- (iii) the intersessional meetings approved by the Committee for 2018 and 2019.

11.3 The Council approved the report of the ninety-ninth session of the Committee in general and transmitted it, with its comments and recommendations, to the Assembly at its thirty-first session, in accordance with Article 21(b) of the IMO Convention.

Reference document: C 120/11

Audio file: Wednesday, 4 July 2018: p.m.

17 EXTERNAL RELATIONS (agenda Item 17)

(e) International Maritime Prize

17(e).1 The Council noted the information set out in document C 120/17(e), as well as that provided orally by the Secretary-General on the International Maritime Prize.

17(e).2 The Council, as a result of a secret ballot conducted in accordance with rule 35 of its Rules of Procedure, determined the recipient of the International Maritime Prize for 2017 to be Mrs. Birgit Sølling Olsen of Denmark, nominated by the Government of Denmark, the International Chamber of Shipping (ICS) and the International Group of Protection and Indemnity Associations (P & I Clubs) for her valuable and lifelong commitment to the work and

objectives of the Organization, in particular her invaluable contribution to maritime safety, security as well as seafarers' working conditions.

17(e).3 The Council further expressed its appreciation to the other two candidates for the 2017 International Maritime Prize, namely, Mr. Richard Schiferli, nominated by the Government of Ireland, and the International Tanker Owners Pollution Federation Ltd. (ITOPF), nominated by the Government of New Zealand, the Oil Companies International Marine Forum (OCIMF), the International Salvage Union (ISU) and IPIECA Limited (IPIECA), for their impressive credentials, and to all nominating authorities for proposing such outstanding candidates for the Prize.

17(e).4 The Council noted and endorsed the measures taken and those proposed by the Secretary-General in respect of the 2018 Prize, as well as those for the recognition of candidates not selected to receive the 2017 Prize.

Reference document: C 120/17(e)

Audio file: Wednesday, 4 July 2018: p.m.
