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- Photo: International Maritime Organization (IMO).
- <u>Decarbonisation</u>, <u>Environment news</u>, <u>Maritime Insurance news</u>, <u>Maritime law news</u>

Shipmanagers suggest changes to IMO's net-zero framework to avoid future legal action

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- by Shipping Telegraph

Ship managers have expressed concerns in connection with the International Maritime Organization's future net-zero framework and have suggested concrete changes which they believe would make the proposals more effective.

Acting on behalf of the global shipmanagement sector, InterManager, the international association for ship managers, has submitted a proposal to the next meeting of the IMO's Marine Environment Protection Committee (MEPC83) to suggest important changes.

The submission warns that, in its current form, the greenhouse gas (GHG) proposal doesn't properly account for the involvement of a third-party International Safety Management (ISM) Manager.

Highlighting that roughly 20% of the global fleet is operated by a third-party technical ship manager as the ISM Manager, the submission asserts the need for further refining to make it applicable in practice and to avoid future national implementing acts being open to inevitable and avoidable litigation by ship managers.

"In comparison to the charterer and shipowner, the ship manager has no material influence over the GHG intensity of a ship. Ship managers have no say regarding the type of engine powering the managed ship, nor whether sails, solar, fuel cells or other installations are installed on board. Such choices are decided exclusively by the shipowner," InterManager said in its release.

"Ship managers are not consulted and, in addition, have no influence as to which fuels are procured and supplied to any of the managed ships, neither contractually nor in practice. The matter is

negotiated between the shipowner and the charterer and agreed in the charter party agreement for the ship, together with speed and consumption, the remaining significant parameters impacting on its GHG intensity," the submission states.

However, the current proposed draft amendments to MARPOL Annex VI on the IMO net-zero framework suggest making ship managers the sole responsible entity for penalties related to GHG emissions. InterManager says this clearly misidentifies the ship manager as the polluter to be held responsible and penalised which, as well as being factually wrong, could lead to legal challenges.

Further, by assigning liability for compliance fees to the ship manager, they in turn, are forced to ask shipowners to provide upfront financial security to cover potential risks of insolvency or defaults. This forces significant amounts of equity to be tied up in security, limiting cash flow available for growth or investment in new ships.

InterManager President Sebastian von Hardenberg commented: "We ship managers are fully committed to playing our part in shipping's journey to net zero. However, when it comes to the GHG intensity of a ship, ship managers have no say whatsoever in any of the decisions that result in material impact; they are not even consulted. In shore terms, we are the Facility Managers, not the Factory Owners.

"In taking our points into consideration, the IMO can develop a more practical and equitable framework for decarbonisation that is supported by all stakeholders within the shipping industry," he said.