

**3RD PROJECT COORDINATION COMMITTEE MEETING
UNDER THE CO-OPERATIVE MECHANISM ON THE STRAITS OF MALACCA AND
SINGAPORE
HELD AT THE SHERATON MUSTIKA YOGYAKARTA, INDONESIA
8 OCTOBER 2010**

REPORT OF THE MEETING

SESSION 1: OPENING REMARKS

- 1.1 The Third Meeting of the Project Coordination Committee Meeting (PCC) under the Co-operative Mechanism on the Straits of Malacca and Singapore (the Straits) between the three littoral States, contributing user States and stakeholder organisations was held on 8 October 2010 at the Sheraton Mustika Hotel, Yogyakarta. The Meeting was attended by representatives from the three littoral States (Indonesia, Malaysia and Singapore), contributing user States and stakeholders from the international maritime community. The list of participants is attached as **Annex 1**.
- 1.2 The Meeting was chaired by Indonesia as the Chairman of the PCC for 2010. The Chairman, Raymond Ivan Sianturi, welcomed the delegates to the Meeting and expressed his appreciation for the commitment and continuous support that was shown by the Littoral States, User States and stakeholders on the projects of the Cooperative Mechanism on the 3rd meeting of the Project Coordination Committee. Indonesia also hoped that the meeting could address any issue that would influence the smooth implementation of the projects and to determine their solutions as well. The chairman also hoped for good progress to be made in the Projects.
- 1.3 Head of the delegation for Malaysia joined the Chairman in welcoming delegates to the meeting and look forward to the discussion of the Projects. The Head of Singapore Delegation echoed the same sentiments as Malaysian and Indonesian Counterpart and encouraged the participants to share and discuss the ideas in implementing the various Straits Projects.
- 1.4 IMO noted that the Meeting could discuss the future way to implement the potential ideas to the various Projects. Australia appreciated Indonesia for hosting the meeting, and hoped that the Meeting could develop any ideas for the development of the Straits Project. China expressed satisfaction with the progress in the projects and looked forward to discussing further on the implementation of the Projects. India echoed sentiments expressed by China and looked forward for meaningful discussions in various Projects particularly with respect to Projects 1 and 4. Japan noted that the previous Meetings were interesting with full of useful ideas. Republic of Korea noted that they actively support the Straits Projects, and highlighted the PCC could promote safety of Navigation and environmental protection on the Straits.

- 1.5 RTisa expressed their appreciation for the opportunity to participate in the PCC Meeting, and hoped that new project proposals could come forward. Malacca Strait Council noted that they would continue to give the financial contribution to the ANF as well as technical cooperation upon request.

AGENDA ITEM 2 - ADOPTION OF AGENDA

- 2.1. The Meeting adopted the Agenda of the Meeting. The Agenda is attached in document **Annex 2**.

AGENDA ITEM 3 - UPDATE ON DEVELOPMENTS IN THE STRAITS PROJECTS

- 3.1. Malaysia updated the Meeting on developments in Straits Projects 1 (Wreck Removal) and 2 (HNS Preparedness and Response). Malaysia informed it had previously updated the 35th Tripartite Technical Experts Group Meeting and the 3rd Co-operation Forum. The Meeting noted that for Project 1, Malaysia had divided three areas of cooperation, namely on funding, in-kind resources and technical experts. Malaysia also informed the meeting about the current status of the traffic, constraints, and the status of wrecks which may become obstacles and hazards to navigational safety or deep draft vessels on the Straits. Malaysia also updated the Meeting on the Developments of the Project, which include the contribution from India, wreck monitoring, and also the consultations with Germany.
- 3.2. For Project-1, the Meeting agreed to support Malaysia's efforts to pursue the Wreck Monitoring System with Germany. Singapore and Indonesia as well as Malacca Strait Council stated that they would provide the necessary data to support the establishment of Wreck Monitoring System and encouraged others to do so as well. IMO also informed the Meeting that collaboration with the MEH Project could provide some synergies. India also offered help in terms of training for the Project based on a formal request.
- 3.3. For Project 2, the Meeting agreed that Malaysia will work with IMO to utilize the IMO Straits Fund to finance "Phase 1" of Project 2. For the 2nd phase of the project, further contributions from user States will continue to be sought and if such contributions are made available at the same time as the IMO Straits Fund, then "Phase 2" of the Project 2 may be implemented concurrently. Malaysia also highlighted the need to start developing the Joint Standard Operating Procedure (Joint SOP) for HNS spill in the Straits of Malacca and Singapore. Malaysia's updates on Projects 1 and 2 are contained in documents **Annex 3** and **Annex 4**.
- 3.4. On the Project-2, China stated that it would conduct the "Train-the-trainers" course. The RTisa also informed the Meeting that they are prepared to explore appropriate areas and ways to support this work.
- 3.5. Singapore updated on Straits Projects 3 (Demonstration Trial of AIS-B Transponders for Small Vessels) and 4 (Wind/Tide/Current Measurement System). Singapore also informed the Meeting of the findings and outcomes of the Project 3. Singapore's updates on Project 3 and 4 are contained in documents **Annex 5** and **Annex 6**. The AIS study showed that AIS Class B transponders were useful and AIS coverage in the Straits of Malacca and Singapore was good. The large scale deployment of additional AIS Class B

transponders for harbour craft and coastal vessels would enhance navigational safety in the Straits of Malacca and Singapore.

- 3.6. Singapore expressed appreciation to Indonesia and Malaysia for the excellent co-operation between the littoral States on Project 3. On behalf of the littoral States, Singapore further expressed appreciation for the contributions of user States, in particular Australia, Japan, and Republic of Korea, as well as the IMO. Singapore shared with the Meeting that it would implement mandatory carriage of AIS transponders as a port entry requirement for all powered vessels in Singapore port waters with effect from 1 Jan 2012, to enhance security and navigational safety. Before 2012, Singapore would bear the cost for AIS-B transponders and their installation on Singapore-flagged vessels below 300 GT. Singapore had also assisted selected Indonesian and Malaysian-flagged vessels which had frequently entered Singapore port waters over the past few years in installing AIS-B transponders on their vessels. The Singapore and Indonesia's vessels' MMSI numbers would need to be reconfigured as the current MMSI numbers were loaned on a temporary basis. IMO agreed to provide funding for the reconfiguration. The Meeting agreed that Project 3 has been formally completed.
- 3.7. Singapore suggested that given the usefulness of AIS-B transponders towards navigational safety in the Straits of Malacca and Singapore, Indonesia and Malaysia could also consider as a follow up installing AIS-B transponders on the small vessels possibly with the support of the EC. Singapore recalled the pledge by the European Commission (EC) of 400,000 to 500,000 Euros to Cooperative Mechanism.
- 3.8. For the Project 4, Singapore presented a project progress update and the remaining work activities and timeline. The tender for the "Setting up of the Tide, Wind and Current stations, Shore Based Stations, Information Delivery System works in both Indonesia and Singapore" was called on 6 Aug 2010 and closed on 13 Sep 2010, with the total cost at S\$1.875M. With India's contribution of US\$1.687M (or S\$2.193M at exchange rate 1.3), the remaining fund (ie. US\$0.24M) may not be adequate for the remaining two stations for Malaysia's tender. Singapore further informed that the factors contributing to the higher cost that result in the shortfall of original fund contributed by India are due to the weakening of the US\$ since 2007 (ie. exchange rate reduced from 1.8 to 1.3), the unforeseen difficult site conditions after the site survey in July 2009, and additional shore based stations for each littoral States.
- 3.9. China announced that its contributions of US\$250,000 to the ANF and US\$100,000 to the IMO Straits Fund would be used for Project 4. With China's contribution, the total fund will be adequate to also cover Malaysia's remaining two stations. India would like the tender for works in both Indonesia and Singapore to be awarded by Dec 2010. This will allow the Project to collect the data and complete the IDS in time for presentation at the next year's CF/PCC. On a query from IMO, Singapore confirmed that the project's data will be made available and sent over to the MEH's data centre with the expected completion of the data centre in Dec 2011. Singapore repeated its commitment to work closely with the MEH to ensure that both projects complement each other for the benefit of the shipping community and marine environment.
- 3.10. Singapore highlighted that the total funding for the project based on India's and China's contributions would be sufficient only for the setting up of the six stations, three shore based stations, IDS and the first year of operations and maintenance. The funding for the operations and maintenance for the second, third and fourth years would need to be

sought subsequently. The meeting agreed to proceed with the tender and implement the Project on this basis.

- 3.11. Indonesia updated on Projects 5 (Replacement and Maintenance of Aids to Navigation) and 6 (Replacement of Aids to Navigation Damaged by the Tsunami off the Sumatran Coast). For Project 5, Indonesia updated on 2009 and 2010 work programme of the aids to navigation in the Straits. For Project 6, Indonesia stated that China had agreed to co-operate on the replacement of the two AtoN damaged by the tsunami incident, namely the Ule Lhuae and Malahayati Light Beacon in Aceh. The remaining 5 AtoN would be built by Indonesia, while China might provide technical assistance and support to Indonesia. Indonesia also noted that the project is expected to be completed by 2012 at the latest. Indonesia's updates on Projects 5 and 6 are contained in document **Annex 7**.
- 3.12. On the Project 5, the Republic of Korea informed the Meeting that they would continue their contribution to the ANF in line with the MOU. Japan informed the Meeting that they had made in-kind contributions to Project 5. Japan also informed the Meeting that it would continue its in-kind contribution with the preliminary survey of 2 AtoN in 2010 and another 2 AtoN in 2011 and also introduced the proposal for providing the capacity building course on Aids to Navigation in 2011.
- 3.13. On the Project 6, China informed that the relevant departments of China and Indonesia have been working closely and friendly on the preparation for the implementation of Project 6. It is expected that both sides will reach final agreement on how to implement the Project, including the time framework and other important issues at the coming Bilateral Maritime Technical Cooperation Committee Meeting, which is to be held in December 2010.
- 3.14. New Project Concepts/Proposals
 - 3.14.1. Singapore updated on the new project concept proposal under the Co-operative Mechanism to establish emergency towage vessel capability in the Straits of Malacca and Singapore. Singapore informed the Meeting of the proposed scope of the feasibility study on ETV as approved by 35th TTEG Meeting and endorsed by the 3rd CF Meeting. Singapore's presentation on the concept proposal is contained in document **Annex 8**. The Meeting noted that the concept study is divided into the 3 phases;
 - 1) Phase 1 – Statistics / Data Gathering
 - 2) Phase 2 – Operational Requirements for ETV Responses
 - 3) Phase 3 – Design concept of ETV operations.
 - 3.14.2. Malaysia and Indonesia stated that they supported the Project. The Meeting agreed on the concept proposal for the Project and to seek funds from the IMO Malacca and Singapore Straits Fund for the Project. The IMO gave its in-principle agreement for the disbursement of the sum of US\$50,000 for the study.
 - 3.14.3. Indonesia supported project but highlighted the need to discuss the locations of the ETVs prior to any decision made. Singapore highlighted that the study is recommendatory in nature and more detailed discussions will take place prior to any decision made. China supported the inclusion of Project 7 and highlighted that the project is in line with the increasing traffic in the Straits and the need to enhance emergency response capability. Singapore expressed appreciation for the

technical expertise earlier received from Australia through presentation on the implementation of ETV in their waters. Further technical assistance could be sought from Australia by the PCC to evaluate the study report after its completion.

AGENDA ITEM 4 – CONVENING OF TECHNICAL WORKING GROUPS

- 4.1. The Meeting agreed that there is no need to establish any Technical Working Group.

AGENDA ITEM 5 – ANY OTHER BUSINESS

- 5.1. On the Cooperative Mechanism Website, Malaysia requested Singapore and Indonesia to nominate their Contact Persons to discuss further details regarding its contents.
- 5.2. During the 3rd CF, Indonesia presented 2 proposals, namely Development of VTS and Oil Spill Response Stockpile in the Straits. Indonesia invited the User States and other Stakeholders to consider the proposals. Indonesia stated that the details of the Project would be presented in the next TTEG for endorsement.
- 5.3. China informed the Meeting that it would host and sponsor Marine Casualty Investigation Training Course on 4-11 November 2010, and invited the Littoral States to participate in the course. Chairman thanked China for the contribution. Singapore and Malaysia also thanked China for the invitation and informed that they already selected the candidates to participate in the training. Indonesia also stated that they are looking forward to come to the training.

AGENDA ITEM 6 – CONSIDERATION AND ADOPTION OF REPORT OF MEETING

- 6.1. The Meeting adopted the Report.

CLOSING OF THE MEETING

- 7.1. The Chairman thanked all delegations for their active participation in the Meeting, during which useful ideas were shared and explored. The Chairman also highlighted that Participation as well as contributions from user states, and stake holders including shipping industries would be an essential key for the success of the Straits Projects.
- 7.2. The meeting agreed that the 4th Project Coordination Committee would be held in Malaysia in October 2011. The venue and date will be communicated in due course.
- 7.3. The heads of delegations of Malaysia and Singapore thanked the delegates for attending the 3rd PCC and looked forward to their participation in the next PCC Meeting.
- 7.4. The RTisa expressed its appreciation for being invited to participate at the PCC for the first time in support of the Projects and looked forward to continuing its participation at future Meetings.

- 7.5. The participants also expressed their appreciation to Indonesia for convening the Meeting, for the arrangements and hospitality extended to them, and to the Chairman for his excellent leadership of the Meeting.
