



MARINE ENVIRONMENT PROTECTION  
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Agenda item 3

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## RECYCLING OF SHIPS

### European Parliament resolution on the Green Paper on better ship dismantling

#### Note by the Secretariat

#### SUMMARY

<i>Executive summary:</i>	The European Parliament recently adopted a resolution on the Green Paper on better ship dismantling and forwarded it to the IMO
<i>Strategic direction:</i>	7.1
<i>High-level action:</i>	7.1.2
<i>Planned output:</i>	7.1.2.1
<i>Action to be taken:</i>	Paragraph 5
<i>Related documents:</i>	None

#### Introduction

1 The European Parliament, at its part session of 19 to 22 May 2008, adopted a resolution on the Green Paper on better ship dismantling, which had been adopted by the European Commission in May 2007, and also decided to forward its resolution to IMO. The resolution is reproduced in the annex to this document.

2 The European Parliament, in the resolution, discusses its concerns over health, safety and environmental protection issues surrounding ship recycling activities. The same concerns had led IMO's Assembly, at its twenty-fourth session in December 2005, to adopt resolution A.981(24), requesting the MEPC to develop a new legally-binding instrument on ship recycling. The MEPC, having worked under a tight time schedule, is due to finalize in October 2008 the draft International Convention for the Safe and Environmentally Sound Recycling of Ships, which will then be submitted for adoption at the diplomatic conference to be held in Hong Kong, China, in May 2009.

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3 The resolution by the European Parliament addresses a number of issues which may be grouped into the following three broad areas: issues specific to Europe; issues concerned with the interim period between the adoption and the coming into force of the new IMO convention; and issues pertaining to the development of the new convention.

4 In its reply to the communication from the European Parliament, the IMO Secretariat:

- .1 offered its expertise and help towards the formulation, in collaboration with the major recycling States and the industry, of an appropriate voluntary regime for the implementation of appropriate recycling standards during the interim period;
- .2 noted that, in all the work of the Organization on the subject of ship recycling, the need for co-operation with the International Labour Organization (ILO) and the Basel Convention had been duly recognized. This had been affirmed in decision VIII/11 of the Conference of the Parties to the Basel Convention, which furthermore had affirmed that duplication of regulatory instruments with the same objective should be avoided. In this respect the IMO Secretariat also noted the recent decision of the ninth Conference of the Parties to the Basel Convention, acknowledging the good progress being made on the new convention; and
- .3 raised its concern over certain paragraphs in the resolution by the European Parliament which appear to be at odds with the current draft text of the new convention. For this reason the IMO Secretariat offered to explain the structure and the process of the development, adoption and coming into force of the new IMO convention during future debates or appropriate meetings of the European Parliament and its Committees.

#### **Action requested of Committee**

5 The Committee is invited to note this information document.

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## ANNEX

**EUROPEAN PARLIAMENT RESOLUTION OF 21 MAY 2008 ON THE GREEN PAPER  
ON BETTER SHIP DISMANTLING (2007/2279(INI))**

*The European Parliament,*

- having regard to the Green Paper on Better Ship Dismantling (COM(2007)0269), adopted by the Commission on 22 May 2007,
  - having regard to Articles 2 and 6 of the Treaty, which lay down that environmental protection requirements must be integrated into the various sectors of Community policy in order to promote environmentally sustainable development of economic activity,
  - having regard to the Guidelines for Asian countries and Turkey on Safety and Health in Shipbreaking, adopted by the International Labour Organization (ILO) in March 2004;
  - having regard to Article 175 of the Treaty,
  - having regard to Regulation (EC) No 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste<sup>1</sup> (Waste Shipments Regulation);
  - having regard to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (Basel Convention), which the United Nations approved on 22 March 1989 as a framework for the regulation of international shipments of hazardous wastes,
  - having regard to Rule 45 of its Rules of Procedure,
  - having regard to the report of the Committee on the Environment, Public Health and Food Safety and the opinions of the Committee on Industry, Research and Energy and the Committee on Transport and Tourism (A6-0156/2008),
- A. whereas on various shores in Southern Asia and elsewhere enormous seagoing ships are dismantled under working conditions which are environmentally damaging and humanly degrading; whereas some of these ships originate in the European Union,
- B. whereas due to very low labour costs, totally inadequate safety regulations and the complete absence of environmental regulations applicable to ship dismantling, relatively high scrap prices are offered in countries such as Bangladesh, India, Pakistan, which persuade many ship owners to opt for those countries,
- C. whereas, in a 2000 study<sup>2</sup>, the Commission looked into the economics of ship scrapping, but refrained from taking any action because the study considered it to be extremely difficult to make ship recycling economically viable while at the same time respecting sound environmental standards; whereas this primacy of short-term profits over human lives and environmental pollution is unacceptable,

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<sup>1</sup> OJ L 190, 12.7.2006, p. 1.

<sup>2</sup> Det Norske Veritas / Appledore International, Technological and Economic Feasibility Study of Ship Scrapping in Europe. Final Report (No 2000-3527), 13.2.2001.

- D. whereas it is regrettable that possible action is discussed only after high-profile cases, such as the attempt by the French government to dispose of its aircraft carrier "Clémenceau" outside the EU, created public awareness of the issue,
- E. whereas the political concern both in industrialised and developing countries regarding the growing quantities of hazardous waste which industrialised countries exported to developing countries for treatment there in an unsupervised and hazardous manner led to an amendment of 1995 to the Basel Convention strictly prohibiting the transfer of hazardous waste from Organisation for Economic Co-operation and Development (OECD) countries to non-OECD countries (Basel Ban Amendment); whereas although this amendment has been fully incorporated in the Waste Shipments Regulation, it has regrettably not yet come into force at international level;
- F. whereas it is possible for a ship to become waste as defined in Article 2 of the Basel Convention and at the same time be defined as a ship under other international rules, whereas this loophole is systematically exploited, leading to most EU ships being scrapped in Asia in full circumvention of the Basel ban and the corresponding provisions of the Waste Shipments Regulation,
- G. whereas the Parliament previously, in 2003, called for guidelines to be developed by the Commission to close this loophole during the revision of the Waste Shipments Regulation, but the Council refused to accept this, instead deferring further action to the joint work by three international bodies (Basel Convention, the ILO and the IMO) to establish mandatory requirements at the global level;
- H. whereas any vessel that contains substantial quantities of hazardous substances or from which these substances have not been properly removed according to the formulation of OECD Waste Code CG 030 and according to the listing of the Basel Convention constitutes hazardous waste, and therefore the transfer of such a vessel from the EU to a non-OECD country for dismantling is banned under the Waste Shipments Regulation, that transposed the Basel Convention into Community law,
- I. whereas ships which are regarded as hazardous waste must be dismantled under environmentally correct conditions in an OECD country or, after decontamination (so that they no longer constitute hazardous waste), may be transferred to non-OECD countries; whereas this requirement is however systematically disregarded,
- J. whereas both maritime law and IMO conventions lay down that coastal states have the right and the duty to enforce all relevant international legal provisions with the aim of protecting the environment; whereas, however, the Basel Convention is rarely complied with in respect of ships for scrapping, inter alia because of a lack of political will to close the loopholes and to tackle the structural hiding of responsibility in the shipping sector, best illustrated by the phenomenon of flag states,
- K. whereas at EU level the Waste Shipments Regulation is the regulatory framework for implementing the Basel Convention, including the export of ships at the end of their lives; whereas enforcement of that regulation is inadequate in respect of ships for scrapping, as ships owned by Europeans, or operating in European waters or flying an EU flag, go for a final 'normal' voyage, and are only declared to be waste once they have left European waters, with no further control mechanisms or enforcement guidance to stop such violations of international and Community law,

- L. whereas the preamble to the Waste Shipments Regulation states that 'It is necessary to ensure the safe and environmentally sound management of ship dismantling in order to protect human health and the environment',
- M. whereas with a view to closing loopholes found in the Basel Convention regime, the IMO is drafting a convention designed to solve this problem worldwide;
- N. whereas at the Seventh Conference of the Parties to the Basel Convention, Parties including the Member States of the European Union, in order to apply more rigour with respect to preventing the export of toxic ships, have invited the IMO to continue to consider the establishment in its regulations of mandatory requirements, including a reporting system for ships destined for dismantling, that ensure a level of control equivalent to that established under the Basel Convention and to continue work aimed at establishing mandatory requirements to ensure the environmentally sound management of ship dismantling, which might include pre-decontamination within its scope,
- O. whereas the draft IMO Convention on ship recycling in its current form has not put in place a level of control equivalent to that of the Basel Convention and the Waste Shipments Regulation, nor does the draft attempt to prevent the export of toxic wastes to developing countries, nor envisage mechanisms based on the polluter pays principle nor the substitution principle for green ship design, nor audited standards for ship recycling yards, among other concerns, and may in any case not be able to be ratified by current ship recycling states or prominent flag states,
- P. whereas in any case it is anticipated that it could take many years to adopt such an IMO convention, after which it could again be years before it enters into force because of a protracted ratification process,
- Q. whereas the EU has insufficient capacity to dismantle its ships (those sailing under EU flags or owned by EU owners) cleanly and whereas this particularly applies to the merchant shipping fleet; whereas the lack of capacity will increase dramatically in 2010 because of the accelerated phasing out of single-hull tankers,
- R. whereas concrete regulatory action at EU level is therefore of the utmost urgency if those single-hull tankers are not to damage further the beaches and river banks of Southern Asia; whereas there is no excuse for failing to act, particularly since these single-hull tankers can clearly be identified,
- S. whereas the primary market for the dismantling of ships currently operates in most cases under very poor conditions, which seriously violate the social, environmental and health principles accepted in the EU,
- 1. Considers it ethically unacceptable to permit the humanly degrading and environmentally destructive conditions involved in the dismantling of ships to continue any longer, thereby accepting that the health of thousands of employees in the Far East is put at risk;
- 2. Recognises that the EU is partly responsible for the existing social and environmental problems in the field of ship dismantling; therefore calls for immediate, concrete action on the part of the EU, in co-operation with the IMO, to stop the practice of social and environmental dumping that stems from economic incentives and to reach a globally sustainable solution;

3. Considers it ethically unacceptable that children are used by some dismantling contractors to do hard and hazardous work and that such children should instead be provided with sufficient educational and recreational facilities;
4. Welcomes the thorough analysis in the Green Paper of the principal social and environmental problems arising from operations involved in the dismantling of ships in Southern Asian countries; however, stresses that this initiative is at least ten years overdue;
5. Considers that practical measures must be taken quickly at European and international level, the main aim being to protect the environment and public health without simply displacing the problems to other countries; considers that while the most comprehensive way of achieving that aim would be to adopt and implement an international convention laying down obligations incumbent upon all the parties involved in the process of dismantling ships, this way is fraught with many hurdles and delays and should therefore not replace urgent EU action;
6. Considers that the dismantling of ships will continue to have a social and ecological impact even in the longer term, particularly because the number of ships under construction has been increasing for years; stresses therefore the continuing importance of European innovation and development in the shipbuilding industry in order to improve ships and make them less environmentally damaging; calls on the Commission therefore to proceed wholeheartedly with the LeaderSHIP 2015 programme;
7. Stresses that there is no time to spare, as it is predicted that in 2010 nearly 800 single-hull tankers will have to be dismantled<sup>3</sup>; notes that a future convention of the IMO aims to address the issue but is not likely to enter into force before 2012; calls for effective measures to be taken at EU level before 2010, prior to the adoption of the IMO Convention and prior to the peak year of the accelerated phase-out of single-hull tankers;
8. Calls upon the Commission to draft the requisite guidelines and mechanisms in the sense that every ship due to be scrapped and which does not fulfil all the requirements of international conventions, and consequently does not have valid certification issued by EU-recognised registers, to be regarded as 'waste', pursuant to the definition in Directive 2006/12/EC of the European Parliament and of the Council of 5 April 2006 on waste<sup>4</sup>, in order to prevent evasion of the provisions of the Waste Shipments Regulation, and likewise to examine the question of when a Member State can be regarded as a 'state of export' under the Waste Shipments Regulation, including port states, flag states and states with jurisdiction over ship owners, and to ensure the smooth and safe withdrawal from the market of those ships which have reached the limit of their operational 'life';
9. Calls upon the Member States and the Commission to implement the Waste Shipments Regulation more effectively by means of stricter inspections and supervision by authorities in Member States, with a view to empowering port states, flag states, and states with jurisdiction over owners (waste generators) to declare a ship to be 'end-of-life' and therefore waste regardless of whether or not that ship is still operable;
10. Supports initiatives at international level to achieve binding minimum standards on ship recycling and promote the establishment of clean recycling facilities with due

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<sup>3</sup> European Commission, DG Energy and Transport: *Oil Tanker Phase Out and the Ship Scrapping Industry*, COWI final report, June 2004.

<sup>4</sup> OJ L 114, 27.4.2006, p. 9.

consideration for working conditions and the associated health and safety issues, especially in the scrap yards of Southern Asia, so as to protect workers and the environment from the adverse impacts of hazardous waste and dangerous working practices;

11. Calls upon the Commission to compile and maintain a list of seagoing ships which are likely to be scrapped within a few years and to envisage mechanisms whereby such ships are considered as 'pre-waste ships' for which a disposal plan needs to be drawn up prior to selling for scrapping; calls on the Member States and port authorities, which must have the power to identify 'end-of-life' ships, to use this list to step up their monitoring of those ships, which could potentially be scrapped; considers that, in this connection, speedy adoption of the proposed revision of the Directive on port state control<sup>5</sup> would be desirable;
12. Calls upon the Commission and Member States to negotiate an IMO convention that incorporates extensive requirements and regulations which:
  - ensure a level of control at least equivalent to that of the Basel Convention,
  - provide for a high global safety and environmental standard of ship recycling that is third party audited and certified,
  - disqualify beaching from being an appropriate dismantling methodology,
  - will not allow ship dismantling by non-parties;
  - establish the substitution principle for eliminating the current use of hazardous materials in the construction of new ships;

and considers that this future convention should impose a requirement either to remove all hazardous materials from end-of-life ships before sending them for dismantling to non-OECD countries or to send them to specially authorised recycling facilities in OECD or EU countries which comply with clearly defined safety and environmental standards;

13. Calls on the Commission to consider possible measures to reduce the potential financial implications of ship dismantling by setting more stringent production standards, such as a restriction on the use of certain hazardous substances;
14. Strongly recommends that EU efforts aim at safeguarding minimum standards ensuring the highest environmental, health and safety protection and comprising in particular regulations for the design and construction of ships, their operation, the preparation of ships for recycling, the operation of ship recycling facilities and the establishment of an appropriate enforcement mechanism for ship recycling, incorporating certification and reporting requirements;
15. Calls on the Commission to implement as a matter of urgency a reliable system of checks on the application of the Basel Convention on ships destined for scrapping;

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<sup>5</sup> Council Directive 95/21/EC of 19 June 1995 concerning the enforcement, in respect of shipping using Community ports and sailing in the waters under the jurisdiction of the Member States, of international standards for ship safety, pollution prevention and shipboard living and working conditions (OJ L 157, 7.7.1995, p. 1).

16. Considers that monitoring of the implementation of the future IMO convention should be just as stringent as in the case of the Basel Convention: all relevant standards and obligations of the ILO must be incorporated in the instrument, no exceptions may be permitted, serious deficiencies in the interpretation and enforcement of the existing regulatory framework must be eliminated and measures must be taken to prevent end-of-life ships which contain hazardous waste or which themselves constitute hazardous waste from departing to non-OECD countries, to OECD countries with inadequate installations or to countries which are not contracting parties to that convention;
17. Emphasises the need to reinforce the actions taken by the Commission and the Member States, at EU and international level, aimed at safeguarding the minimum standards that ensure the highest levels of environmental, health and safety protection and at adherence to the principle enshrined in Articles 34 and 36 of the Waste Shipments Regulation (implementing the Basel Ban Amendment), which is to ban the export of hazardous wastes to developing countries; to this end calls on the Commission to propose a regulation on the design and construction of ships, their operation throughout their life-cycle and their preparation for recycling, the operation of ship recycling facilities and the establishment of an appropriate enforcement mechanism for ship recycling, incorporating certification and reporting requirements;
18. Calls on the Commission to take into consideration the decisions of the forthcoming third session of the Joint ILO/IMO/Basel Convention Working Group on Ship Scrapping on joint technical cooperation activities and a coordinated approach to interim measures to be taken pending entry into force of the new IMO Convention on ship recycling;
19. Urges that immediate measures be taken to support the development of a competitive and clean ship dismantling and remediation (pre-cleaning) industry in the EU; urges the Member States in this connection to require pre-cleaning and clean recycling of all ships which are State property, including warships, and to dismantle them in a safe and environmentally sound manner in EU facilities which should be carried out through public tenders with strict public procurement rules in full respect of the Waste Shipments Regulation; considers moreover that the development of recycling activities at European shipyards should be supported as part of EU industrial, structural and cohesion policy;
20. Takes the view that all vessels flying the flag of a Member State and all ships that call at EU ports should be obliged to carry lists of the materials and products used in their building and fitting-out;
21. Calls on the Commission to develop a list of preferred ship recycling facilities which comply with recognised international human rights and health and safety standards; welcomes the suggestion by the Commission that certification and labelling systems should be established for safe and clean recycling facilities and considers that Community subsidies should be granted to the shipping industry only on condition that they adhere to the Waste Shipments Regulation and to other EU requirements, such as the use of certified and regularly audited facilities; stresses that it cannot be the intention to destroy the ship dismantling market in Southern Asia but that on the contrary the aim should be to preserve it by promoting environmentally sound dismantling;
22. Considers that the EU needs to lead the way and encourage global action, with a clear objective of gradually ending the current practices of ship dismantling in Southern Asia, and move towards the adoption and implementation of an international convention setting environmental and social standards for all parties involved;



23. Calls for a global strategy which ensures that ship recycling is carried out in such a way that all those involved in the process (including shipowners, recycling/scraping facilities, the flag state of the ship, the state in which the ship's recycling will take place) are coordinated and assume their due share of responsibility;
24. Calls on the Commission to propose specific measures to promote the transfer of know-how and technology in order to help dismantling yards in Southern Asia to comply with international safety and environmental requirements; considers that this aim should also be taken into account in the wider framework of the EU's development aid policy for these countries; considers that, in this context, use should also be made of the possible expertise of trade unions and nongovernmental organisations;
25. Welcomes the results already obtained by the ShipDismantl project funded by the Seventh Framework Programme for research and technology development, under which support systems are being developed that will be made available free of charge to the ship-breaking industry worldwide; is convinced that further improvements will be possible as a result of new calls for proposals which specifically concentrate on end-of-life strategies for vessels;
26. Calls on the Commission to further study and carefully evaluate the benefits of enhanced financial co-operation with and direct investment in selected Southern Asian dismantling sites, and thereby assist in forming a network of certified, EU-approved dismantling sites that may generate greater returns on investment in economic, environmental and social terms.
27. Considers that the 'polluter pays' principle, the principle of extended producer responsibility and the principle of producer liability should be applied extensively in order to attain a lasting solution to this problem;
28. Takes the view that the ship's operator/owner is always responsible for any harmful effects of the dismantling on workers, public health or the environment, regardless of where the dismantling takes place (whether inside or outside the EU);
29. Welcomes the proposal to establish a fund for ship dismantling and calls upon the Commission and Member States to pursue with determination the aim of establishing such a fund simultaneously at IMO and EU levels; calls on the Commission in this connection also to investigate the financial mechanism available, involving both shipyards and shipowners and including a compulsory insurance requirement and the use of port fees, taxes on new ships and annual taxes linked to IMO-registration, in order to ensure environmentally sound recycling from the moment when a ship first starts to operate, bearing in mind that a vessel may have more than one owner in the course of its useful life;
30. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States, the governments of Turkey, Bangladesh, China, Pakistan and India, and the IMO.