

Ship recycling

2012/0055(COD) - 23/03/2012 - Legislative proposal

PURPOSE: to prevent, reduce or eliminate adverse effects on human health and the environment caused by the recycling, operation and maintenance of ships flying the flag of a Member State.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

BACKGROUND: current legislation at international and European levels has proven **ineffective to put an end to environmentally unsound and unsafe practices in dismantling ships**. The current widespread non-compliance is linked to : (i) the lack of recycling capacity available within the OECD in particular for the largest commercial ships ; (ii) the fierce and unfair competition between the substandard facilities and other facilities with higher technical standards which are only able to occupy market niches for special types of ships like small ships and government vessels including warships or the fleet of committed shipowners ; (iii) the fact that the current legislation is not adapted to the specificities of ships and international shipping.

At the end of their operating life, most of the large commercial seagoing vessels are still dismantled in substandard facilities located in Asia (India, Pakistan and Bangladesh), usually through "beaching" method and with significant environmental and health impacts. The situation is expected to worsen since large numbers of ships are expected to be sent for dismantling in the coming years.

In order to improve the situation, Parties to the Basel Convention invited, in 2004, the International Maritime Organization (IMO) to develop mandatory requirements for ship Recycling.

The **Hong Kong International Convention** for the Safe and Environmentally Sound Recycling of Ships was adopted in May 2009 by the International Maritime Organization. This Convention, when it comes into force, will require the Parties (including EU Member States) to dismantle their large commercial ships only in countries that are party to the Convention. This may include Asian countries, whose ship dismantling facilities will need to meet internationally accepted standards (higher than the current standards). These facilities will have to treat ships coming from non-Parties in a similar manner as ships flying the flags of the Parties to the Convention ('no more favourable treatment' clause).

The Hong Kong Convention was adopted in 2009 but needs to be ratified by a sufficient number of both large flag and recycling states in order to enter into force and start producing effects. This is not expected to happen before 2020 at the earliest.

The **environmentally sound management of ship dismantling** is a priority for the European Union and the early implementation of the Convention is one of the key actions proposed in the [Communication of the Commission 'An EU Strategy for better ship dismantling'](#).

Incorporating the Hong Kong Convention into European legislation would promote harmonised decision-making and speed up the ratification process amongst the Member States. A [proposal for a Council decision](#) authorising Member States to ratify or to accede to the Hong Kong International Convention is therefore presented at the same time as this proposal for a Regulation.

IMPACT ASSESSMENT: an impact assessment was conducted by the Commission to consider the options for a ship recycling regime which can be effectively enforced. The analysis considered the economic, social and environmental impacts of different options. Only one policy package fully satisfies the objectives identified as demonstrated in the impact assessment. This option consists in introducing an

ad-hoc Regulation covering the ships under the Hong Kong Convention (large commercial seagoing vessels). This Regulation would cover the whole life cycle of EU-flagged ships, implement early the requirements of the Hong Kong Convention and, as allowed by the Convention, include more stringent environmental requirements for ship recycling facilities. Ships flying the flag of EU Member States would only be allowed to be recycled in facilities meeting requirements.

The Commission considers that while it is difficult to expect the current 'beaching' facilities to be able to meet these requirements, it is possible that upgraded facilities might be able to fulfil these criteria in the future.

LEGAL BASIS: Article 192(1) TFEU.

CONTENT: the objective of the Ship Recycling Regulation is **to reduce significantly the negative impacts linked to the recycling of EU-flagged ships**, especially in South Asia without creating unnecessary economic burdens. The proposed Regulation **brings into force an early implementation of the requirements of the Hong Kong Convention**, therefore hastening its entry into force globally.

This proposal addresses, by means of a new ad-hoc Regulation, ships which fall within the scope of the Hong Kong Convention (large commercial seagoing vessels). It **covers the whole life cycle of EU-flagged ships**, and implements some of the requirements of the Hong Kong Convention:

- establishment of an **inventory of hazardous materials**;
- obligation to **recycle ships in safe and sound facilities**;
- general **requirements applicable to ships prior to recycling**.

Furthermore, as allowed by the Convention, the proposal includes more stringent environmental provisions which are necessary prior to the entry into force of the Convention :

- requirements for ship **recycling facilities** ;
- establishment of an **European list** of ship recycling facilities;
- establishment of a **contract** between the shipowner and the ship recycling facility.

Contrary to the existing legislation, the proposed Regulation is based on the **system of control and enforcement of the Hong Kong Convention**, which is specifically designed for ships and international shipping (certificates, surveys, specific obligations for the flag state, etc.).

In addition, **EU Member States will be informed in writing and in due time of the shipowner's intention** to send a ship for recycling, thus removing the difficulty of identifying when a ship turns into waste. Member States will receive information about the planned start and about the completion of recycling.

The Regulation will introduce sanctions which are more specific and precise than the ones provided for under the current legislation. These requirements, coupled with the availability of sufficient legally accessible safe and sound recycling and of a system of control well adapted to the specificities of ships will ensure a better compliance with the legislation.

In order to avoid confusion, overlaps and administrative burden, ships covered by this new legislation would no longer be covered by the Waste Shipment Regulation (Regulation (EC) n° 1013/2006.)

BUDGETARY IMPLICATIONS: the proposal has no implications for the EU budget.

DELEGATED ACTS: the proposal contains provisions empowering the Commission to adopt delegated acts in accordance with Article 290 of the Treaty on the Functioning of the European Union.