

TO: Siim KALLAS
European Commissioner for Transport
European Commission
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NGO SHIPBREAKING PLATFORM

ATTACHMENT: List of European vessels broken on South Asian beaches in 2013

ALSO SENT TO: Janez POTOČNIK, European Commissioner for Environment

CC: Members of the Environment Committee of the European Parliament and Environmental attachés of the Member States Permanent Representations to the EU

Dear Commissioner KALLAS,

Brussels, 03 February 2014

With this letter, the NGO Platform on Shipbreaking (Platform) would like to express its concerns related to the large number of European ships that are sold to substandard facilities in South Asia for breaking, and the need for effective EU measures to change the current dangerous and polluting practice of breaking end-of-life vessels on tidal beaches in developing countries.

Enclosed you will find a shameful list of 238 ships owned by European companies, and/or flying the flag of an EU Member State, that ended their operational life harming the health of workers and polluting sensitive coastal zones in South Asia. Greece remained the worst European dumper, closely followed by Germany. Owners in these countries disposed a record-high 80 percent of their ships in India, Bangladesh and Pakistan, and included well known ship owning companies such as DANAOS, EUROSEAS, FONTI, HAPAG & LLOYD and LEONHARDT & BLUMBERG. Comparatively, Japanese owners sent 43 percent of their ships to South Asian beaching yards, whilst Chinese owners in vast majority opted for their own nationally available ship recycling capacity.

In 2013, 178 of the European owned vessels that ended their operational life on the beaches of South Asia were registered under non-EU flags, such as Liberia and Panama. 55 ships changed their flag from an EU flag to a non-EU flag prior to breaking outside the EU, in most cases the change of flag occurred just weeks before the vessel reached its dismantling destination. Flags of convenience such as Comoros, Tuvalu, Saint Kitts Nevis, Togo and Sierra Leone, that are less

favoured during operational use, were excessively popular flags for the end-of-life vessels broken in 2013. With the new EU Ship Recycling Regulation being a further incentive to flag out, the amount of vessels still registered under a flag of an EU Member State at end-of-life is likely to decline even further to a disillusioning number of ships, rendering the impact of the Regulation non-existent for the purpose of improving ship recycling practices.

To ensure that the new EU Ship Recycling Regulation has a positive impact on improving ship recycling practices globally, the EU needs to guarantee that the approved facilities listed by the European Commission are properly audited and certified to guarantee Environmentally Sound Management (ESM) of hazardous wastes, and that ship owners do not simply flag out to a non-EU flag prior to selling the vessel for dismantling, in an attempt to circumvent EU law.

In particular, the Platform is asking the EU to:

- Support an **explicit disqualification of breaking of ships through the method known as “beaching”**, whereby ships are run aground on tidal flats. Beaching has been condemned globally for being incapable of delivering safety for workers, and for not protecting the marine environment from ship borne pollutants. It is crucial that the EU rejects the beaching method utterly, and thereby sends a clear signal that real change in current practice is needed;
- Establish an **independent certification and auditing scheme for ship recycling yards** so that transparency and an accountable level playing field rewarding industry actors that have invested in upgrading their facilities to meet environmental and safety requirements becomes the norm;
- Revise the **Environmental Crimes Directive (2008/99/EC) to include violations of the Ship Recycling Regulation**. Without such revision, it will lack equivalence in provisions related to infringements of the Waste Shipment Regulation (1013/2006); and finally
- Establish **mandatory funding mechanism based on the “polluter pays principle”** to internalise, into the shipping industry, the costs currently borne by the environment and the health of impoverished communities in developing countries. All ships calling at European ports must provide input to a ship recycling fund or bond; give evidence of a dedicated recycling savings account; or hold a compulsory insurance¹. By involving all ships that use EU ports or enter EU waters – regardless of flag – in a mandatory financial scheme, the playing field will be levelled globally given that most large commercial vessels – regardless of flag – travel to the EU during their operational lives. The incentive encourages compliance with the Regulation without discriminating the EU-flagged fleet, thus eliminating any fears (or threats) of massive flagging out because stricter rules are proposed. A financial instrument that further creates a compensating financial incentive not to reflag will ensure that the polluter indeed pays since the costs of clean scrapping can

¹ Examples of models for such a financial incentive can be found in the following reports: Milieu/OWI (2009): *Study in relation to options for new initiatives regarding dismantling of ships. Note on the ship dismantling fund. Pros and cons of the three options.* http://ec.europa.eu/environment/waste/ships/pdf/fund_note.pdf ProFundo (2013): *Financial mechanisms to ensure responsible ship recycling* http://www.shipbreakingplatform.org/shipbrea_wp2011/wp-content/uploads/2013/01/Financial-mechanisms-for-responsible-ship-recycling-22_01_2013-FINAL.pdf

be recovered. Redistribution of the collected funds would then be made conditional to safe and environmentally sound recycling and would close the financial gap between substandard and safe and green recycling facilities.

The Platform is particularly concerned that, without an economic incentive, circumvention of European law covering end-of-life vessels will persist and the European shipping industry will continue to be at the heart of scandals involving severe pollution of coastal zones and exploitation of vulnerable workers in developing countries.

Yours sincerely,



Patrizia HEIDEGGER

Executive Director, NGO Platform on Shipbreaking

The NGO Platform on Shipbreaking is a global coalition of environmental, human and labour rights organisations working to reverse the environmental and human rights abuses of current shipbreaking practices and to ensure the safe and environmentally sound dismantling of end-of-life ships worldwide. More than **100 non-governmental organisations** around the world voiced their support to the Platform human rights and environmental objective to end the dangerous and polluting practice of breaking ships on tidal beaches, and Ms Rizwana Hasan, member of the Platform Executive Board has received the prestigious **Goldman Prize 2009** and the **Ramon Magsaysay Award 2012** for her work on the shipbreaking issue in Bangladesh. The **current members of the Platform** are: the Basel Action Network (BAN), Greenpeace, the International Federation of Human Rights (FIDH), the European Federation of Transport and Environment (T&E), Bellona, the North Sea Foundation, the Ban Asbestos Network, Prevention of Hazardous Shipbreaking Initiative Turkey, Young Power in Social Action (YPSA), Bangladesh Environmental Lawyers Association (BELA), Bangladesh Institute of Labour Studies (BILS), the Bangladesh Occupational Safety, Health and Environment Foundation (OSHE), Toxics Link, Legal Initiative for Forest and Environment (LIFE), the Corporate Accountability Desk India, The Center for Rule of Law Islamabad (CROLI) and Sustainable Development Policy Institute (SDPI).

