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Dear Mrs Jenssen,

Executive Vice-President Frans Timmermans and Commissioner Virginijus Sinkevičius asked me to reply to your letter of 16 September 2020 and thank you for drawing the attention of the Commission to a new report entitled "*Contradiction in Terms: European Union must align its ship exports with International Law and Green Deal Policies*" prepared by the Basel Action Network, the European Environmental Bureau, Greenpeace and the NGO Shipbreaking Platform.

As you know, the EU has been pursuing, through the EU Ship Recycling Regulation¹, a very ambitious policy to promote sustainable ship recycling practices globally. This is an important contribution to the EU efforts to promote the circular economy at the international level, in line with the European Green Deal and the new Circular Economy Action Plan.

The opportunities presented by European List of ship recycling facilities ("EU list") have already incentivised several yards in major recycling countries to bring their operations and infrastructure up to higher standards, to the benefit of the workers and the environment. Excluding yards located in non-OECD countries from the EU list would not contribute to new improvements to ship recycling practices in these countries.

We would also like to note that since no facilities from non-OECD countries are included on the EU list currently, it is at present impossible that an EU-flagged end-of-life ship gets dismantled in non-OECD countries in conformity with the Ship Recycling Regulation. On this basis, we consider that there are currently no inconsistencies between the regime of the Basel Convention and that of the Ship Recycling Regulation, as neither allows the export of EU-flagged end-of-life ships to non-OECD countries.

Should a facility located in a non-OECD country be included on the EU list in the future, the regime of the Ship Recycling Regulation would then allow *in practice* exports of EU-flagged end-of-life ships to that non-OECD country, whereas the Basel Ban Amendment generally prohibits such exports. Therefore, facilities from non-OECD countries can only be included on the EU list if the export of end-of-life ships to the country in question is covered by an agreement or arrangement satisfying the conditions of Article 11 of the Basel Convention. There is no provision in Article 11 that would prevent the EU from entering such a bilateral agreement or arrangement.

¹ Regulation (EU) No 1257/2013 of the European Parliament and of the Council of 20 November 2013 on ship recycling and amending Regulation (EC) No 1013/2006 and Directive 2009/16/EC; OJ L 330, 10.12.2013, p. 1.

Concerning Indian yards, it is important to emphasise that while several of them have made significant improvements and demonstrated strong commitment to achieving full compliance with the relevant criteria to join the EU list, some shortcomings still remain and would need to be addressed before a possible future proposal for their inclusion could be considered. Furthermore, it is equally important to stress that the Commission would be particularly vigilant to ensure that any possible future bilateral agreement or arrangement with India could only be concluded if it strictly complies with provisions in Article 11 of the Basel Convention requiring equivalence in terms of environmentally sound management.

Finally, we do not see a contradiction between the EU efforts to promote sustainable and safe ship recycling practices outside the EU and to boost ship recycling in the EU. We are committed to improving the effectiveness of the Ship Recycling Regulation, notably to ensure that more vessels get recycled in the EU. We are exploring various options and welcome the proposals that you have been developing in your report in this respect.

Yours sincerely,

(e-signed)

Mattia Pellegrini

Cc:

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