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WORK PROGRAMME OF THE COMMITTEE AND SUBSIDIARY BODIES

Scrapping of ships

Submitted by Greenpeace International and the ICFTU

SUMMARY

Executive summary: This document makes comments in general support of Norway's proposals set out in document MEPC 43/18/1 for the inclusion of scrapping of ships on the work programme item of MEPC with the aim to developing safety and environmental measures regarding ship scrapping. Some refinements to the Norwegian proposal are suggested and additional information on safety and environmental aspects of current ship-scrapping activities are also included.

Action to be taken: Paragraph 22

Related documents: MEPC 42/22, paragraphs 19.22 and 19.23; MEPC 43/18/1; and MEPC 43/INF.8

COMMENTS ON A PROPOSAL FOR INCLUSION OF A NEW WORK PROGRAMME ITEM

Introduction

1 Greenpeace International and the ICFTU submit the following comments in general support of the Norwegian submission (MEPC 43/18/1) proposing inclusion on the MEPC's agenda of a new work programme item concerning scrapping of ships. Some refinements to the Norwegian proposal are suggested and some additional information on the issues raised is provided.

2 Greenpeace International has conducted extensive research on this issue together with the Basel Action Network (BAN), a global network of individuals and non-governmental organisations working on the implementation of the Basel Convention. BAN's contribution to both the research undertaken and the comments made here is gratefully acknowledged.

3 Greenpeace International and the ICFTU urge inclusion of ship scrapping as a new work programme item for MEPC. In urging that this new work programme be undertaken, both Greenpeace International and the ICFTU do not want to compromise the safety of life at sea and the protection of the marine environment by providing any incentive to extend the life of sub-standard vessels. Rather, the aims

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of the co-sponsors are to address a serious problem and to ensure that the life-cycle of ships is addressed in terms of sustainability.

Comments on MEPC 43/18/1

4 It is considered that the proposal put forward in MEPC 43/18/1 to add the issue of scrapping of ships to the work programme of MEPC fully satisfies the requirements of the *Guidelines on the Organization and Method of Work of the MSC and MEPC and Their Subsidiary Bodies* (MSC/Circ.816 and MEPC/Circ.331).

Scope of the measure

5 The Norwegian proposal describes the scope of the proposal as being 'to develop requirements, which will secure adequate safety and environmental protection in ship scrapping activities, having due regard to the existing regulations in the Basel Convention.'

6 Greenpeace International and the ICFTU concur with the proposal, however, the MEPC should at a later date give some consideration to the form the instrument should take. While the IMO should take the lead role, it is essential, given the overlapping competencies with other United Nations agencies, that the method of work enables other United Nations agencies, for example UNEP and ILO, to be able to make an appropriate input. The method of work and the resulting instrument should adopt an holistic approach and thereby ensure that all aspects are dealt with in a single instrument. In doing so, full regard should be given to applicable international law, the precautionary principle, Agenda 21, the Basel Convention and the Basel "Ban" Amendment.

Need for the measure

7 The description contained in MEPC 43/18/1, as well as the additional information presented, clearly demonstrates the need for the IMO to take a lead role in addressing the issue of ship scrapping in a comprehensive manner. The serious environmental, human health and safety risks posed by current ship demolition practices are not only unreasonable, but unacceptable. The anticipated intense increase in ship scrapping in the near future, coupled with the shipping industry's clear trend to concentrate on the use of ship scrapping facilities in less-industrialised Asian countries, necessitates urgent action by the international community to effectively address the risks posed by this activity.

Analysis of the issues involved

8 Greenpeace International and the ICFTU support the general analysis presented in section 1.3 of MEPC 43/18/1 and the issues which are identified.

Elements in a regime for decommissioning of ships

General

9 As an addition to the analysis presented in this section of MEPC 43/18/1, it is suggested that IMO should be seeking to develop and implement a mandatory, global instrument which:

- ! is consistent with the Basel Convention, decisions by its Parties and the Basel "Ban" Amendment;

- ! provides minimum environmental, health and safety standards for ship demolition operations; and
- ! establishes a commitment for a phase-out of the use of toxic materials in ship design, construction and operation and which provides incentives for the development of cleaner ships.

Requirements relating to the ship

10 Accordingly, the elements identified in section 1.3.1.2 of MEPC 43/18/1 should be explored further at MEPC as a way to ensure that ships are designed, constructed and operated in a way which takes into account the safety and environmental implications of their decommissioning.

11 Greenpeace International and the ICFTU strongly support the concept of a '*decommissioning certificate*' and believe that it would provide, when suitably elaborated, one aspect of the final instrument and that it could be supplemented by other complementary mechanisms to enhance achievement of the objectives.

Requirements relating to the scrap yard

12 While the proposal contained in section 1.3.1.3 of MEPC 43/18/1 to develop international standards related to the safety of workers and the protection of the environment (including the safety of persons living in the immediate environs) is welcomed, it should be noted that the safe dismantling of ships is not "*totally dependant on the practices at the individual scrap yard*", as suggested. While international standards are essential, the safety of workers and the protection of the environment around ship dismantling facilities also rests on the design, construction and operation of a vessel. Thus all these aspects must be addressed holistically, in a single instrument.

Procedures

13 The suggestion made in section 1.3.1.4 of MEPC 43/18/1 is fully endorsed.

Costs and administrative burden

14 The analysis presented in section 1.3.2 of MEPC 43/18/1 is generally supported, however the "Polluter Pays" principle should be emphasized, particularly with respect to elements identified under 1.3.2.1 and 1.3.2.4.

Benefits which would accrue from the proposal

15 The overall analysis by Norway is endorsed. In addition, however, it should be noted that the future benefits to the shipping industry are likely to be substantial as a measure will be in place which gives due consideration to the life cycle of ships and which facilitates the sustainable development of the industry.

Priority

16 Given the serious nature of the risks involved, the lack of an industry standard, and the urgency of the need to address the problem because of the large number of vessels likely to be decommissioned in the coming years, Norway's suggestion that this issue should be given a very high priority by MEPC is fully endorsed.

Remarks on the criteria for general acceptance**Is the subject of the proposal within the scope of IMO's objectives ?**

17 The IMO has already addressed elements of this issue, as evidenced by the adoption of Resolution MEPC.53(32) concerning the development of the capacity of ship scrapping for the smooth implementation of the amendments to Annex I of MARPOL 73/78.

18 Additionally, IMO has broad authority and responsibility to regulate all aspects of the shipping industry that impinge upon protection of the marine environment and to promote safer and cleaner shipping. The holistic '*cradle to the grave*' approach, identified in Norway's submission, is central to the concept of sustainable development and the responsibilities the Agenda 21 process has given the IMO. Additionally, there are already well established mechanisms in place, within the United Nations system, to provide for the interagency co-operation required for the adoption of a holistic approach.

Do adequate industry standards exist ?

19 No adequate industry standards exist.

Do the benefits justify the proposed action ?

20 As noted in Norway's proposal, the measures proposed would promote and require safe and environmentally sound ship-scrapping practices. Such measures will serve to improve protection of the marine and terrestrial environment, and would provide improvements in occupational safety and health for shipyard workers, and improved environmental and living conditions for communities in close proximity to ship-scrapping facilities. Moreover, the proposed measures would promote the design and construction of 'cleaner ships' which would pose increasingly fewer problems at the time of their decommissioning. The action proposed is clearly justified.

Identification of committee/sub-committee(s) essential to complete the work

21 Norway's proposal that preliminary discussion would need to take place initially within MEPC, in order to identify the most appropriate course of action, is supported. The requisite input from other IMO committee(s)/sub-committee(s) can be determined only after the course of action is decided upon. However, it is expected that certain aspects will have to be referred to the DE, FP and DSC Sub-Committees.

Action requested by the Committee

22 The Committee is invited to:

- ! take into account the contents of this paper in its consideration of document MEPC 43/18/1;
- ! agree to the adoption of an additional urgent item for the MEPC work programme and its inclusion in the Agenda for MEPC 44;

- ! agree that a holistic approach to ship scrapping is essential; and
- ! to this end, it is suggested that MEPC 43 should agree to develop a draft Assembly Resolution, for adoption at the twenty-first Assembly, on the need for an international instrument on ship scrapping and on the need for interagency co-operation within the United Nations system in its development.

APPENDIX

1. General Background

At the end of their operating lives ocean-going ships are scrapped, primarily for their recyclable steel content. Ship scrapping is a dirty and dangerous business. The cutting and removal of the steel structure itself is extremely hazardous, posing serious risks for the workers involved in these operations. In addition, most of the vessels slated for demolition contain hazardous substances, including asbestos, lead-based paints, other heavy metals such as cadmium and arsenic, biocides, and polychlorinated biphenyls (PCBs).

While ships have historically been demolished in shipyards all across the industrialised world, today, due to the high costs of reducing risk from accidents and toxic contamination in most highly industrialised countries, that industry has migrated abroad. Now most of the world's ships are exported to less industrialised countries where labour is significantly cheaper and environmental and occupational rules, where they exist, are less rigorously applied.

A large percentage of ocean going ships, irrespective of the flag they fly, are owned or operated by companies in highly industrialised countries and are currently scrapped in India, Pakistan, Bangladesh, Philippines and China. To-date, Greenpeace and the Basel Action Network (BAN) have both sent teams to investigate the world's largest ship scrapping site located at Alang in Gujarat as well as a smaller one at Bombay (Mumbai), in India. They have also investigated scrapping yards in Panyu, in Guandong, China. Here, as in other Asian ship scrapping locations, ships are simply driven onto a beach at high tide or docked near the scrap yards. Then, without dry-docks, the massive vessels are cut up by the use of thousands of people, using little more than hand-held cutting-torches, hammers, saws and chisels.

Half of the world's ocean going fleet ends up in Alang -- approximately one vessel arriving per day. Most of the rest go to similar ship scrapping sites in India, Pakistan, Bangladesh, China and the Philippines. Around 700 ships are scrapped each year. Depending on their size, and the current price of steel, the ships are sold for up to several millions of dollars each. The 40,000 workers in Alang mostly migrants from the poorest segments of Indian society, earn around \$2 worth of rupees per day.

Protected only by their scarves and light shoes, the workers' conditions in Alang are very poor. Only a few wear hard hats, rubber boots and gloves. Explosions from cutting torches in contact with residual fuels and lubricants are common, as well as accidents from falling steel beams and plates. Not only is the job one of the most hazardous in the world, but life nearby is plagued by a lack of sanitary facilities, and it is one of frequent and often fatal disease.

The Greenpeace and BAN teams witnessed extremely harmful carcinogenic blue asbestos being stripped and collected by workers with bare hands, without gloves or special breathing apparatus of any kind.

The asbestos is collected by hand and sold at the local market. Men were also torch-cutting ship steel that was covered with centimetre-thick paints containing lead, cadmium, arsenic and tributyltin (TBT). These workers likewise had no protection from the toxic fumes. While asbestos, lead, cadmium, arsenic, and dioxins contaminate the ground, living area and agricultural areas adjacent to the scrapping beach, a considerable portion of the toxic substances end up in the sea, in the sensitive intertidal zone.

Nobody has kept records of the toxic exposures and deaths in Alang, but Pulitzer prize-winning journalists from the Baltimore Sun claimed that there is about one funeral per day in Alang. Official figures

have indicated that one particular incident, a fire onboard a vessel that was being scrapped in April 1997, claimed 16 lives.

Submitted separately to MEPC 43 as an 'information' paper is the Greenpeace report, entitled "*Ships for Scrap: Steel and Toxic Wastes for Asia. The health and environmental hazards in recipient states. A fact-finding mission to the Indian ship scrapping yards in Alang and Bombay.*" The information paper provides a more detailed discussion of our investigation, the highlights of which have been summarised briefly here.

2. Legal Background

The only international convention which directly addresses the concerns raised by current ship demolition practices is the Basel Convention on Transboundary Movement of Hazardous Waste. Specifically, under the auspices of the Basel Convention, the international community has *banned* the export of hazardous wastes for any reason, including recycling, as of 1 January 1998, from OECD countries (and Liechtenstein) to non-OECD countries.

An amendment to adopt this ban as part of the Convention is not yet in strict legal force for all Basel Parties, although it has been legally binding for all European Union Member States from the beginning of 1998. Nonetheless, it is already considered politically binding among Parties to the Basel Convention by virtue of four decisions passed by a consensus of Parties to that treaty in 1992, 1994, 1995, and 1998. Even under the pre-ban obligations of the Basel Convention, Parties must ensure the availability of adequate disposal facilities for the environmentally sound management of hazardous and other wastes located, to the extent possible, at home. Finally, Parties are obliged not to allow trade in wastes when there is any concern about a lack of environmentally sound management of the hazardous wastes in question.

2.1 Ships Destined for Scrapping Are Hazardous Wastes Under the Basel Convention

By any reading of the definitions of hazardous waste covered under the scope of the Basel Convention, it must be concluded that ships destined for scrapping are firstly considered wastes, and secondly considered hazardous wastes subject to the Basel Convention and the Basel "Ban" Amendment.

Article I of the Basel Convention defines wastes as any "substances or objects which are disposed of or are intended to be disposed of or are required to be disposed of by the provisions of national law." Disposal is defined as "any operation specified in Annex IV to this Convention." Annex IV contains the following entry: R4 Reclamation of metals and metal compounds.

Clearly then, the Basel Convention considers a ship destined for ship scrapping and eventual recovery of metals to be a waste. The next step is to determine whether that waste is indeed a hazardous waste.

Hazardous wastes are defined by the Convention as any waste appearing on a list of Categories of Wastes to be Controlled (Annex I) unless they do not exhibit any of the hazardous characteristics listed in Annex III.

To ease the task of implementation and enforcement, the Basel Convention decided to add greater clarity to these original definitions by establishing working lists of wastes which technical experts agreed were likely to be hazardous (those which appear on Annex I and which exhibit an Annex III characteristic) and those that are not likely to be hazardous. These lists do not replace Annex I and III, but merely provide greater guidance for practical application of the Convention. As of February, 1998, these Lists A

(hazardous) and B (not hazardous) have been adopted as proposed Annexes VIII and IX respectively to the Convention.¹

From the above, it can be seen clearly that the Basel Convention and decisions of the Parties have classified as hazardous any **object** which contains the amounts and quantities of toxic waste that an average ship contains today. Any implication that ships are usually or primarily just scrap metal, and that the wastes on board ships (e.g., asbestos, PCBs) are of insignificant quantities and at concentrations as to render them non-hazardous, is erroneous. It is well documented that the generation of ships that are being scrapped today contain significant amounts of hazardous substances.

A large vessel will contain several tons of asbestos. PCBs are also present in onboard materials. In addition, other hazardous substances onboard obsolete ships include hydraulic fluids, paints containing arsenic and toxic heavy metals such as lead, cadmium, copper, as well as organotin and, in some cases, even mercury.

The foregoing analysis clearly demonstrates that ships, as "objects" which are destined for metals reclamation and which contain any of the above items in concentrations where they exhibit hazardous characteristics, are indeed hazardous wastes under the Basel Convention and are therefore subject to all of the controls of that Convention by its Parties.

In sum, under the Basel Convention, the decisions of its Parties and the Basel "Ban" Amendment, OECD countries are prohibited from exporting obsolete ships for scrapping unless they have been remediated or de-contaminated to the extent where they do not have any hazardous characteristics as defined by the OECD and Basel regimes. This procedure is required regardless of the standards of operations found or promised in recipient non-OECD countries.

As regards all exporting countries, OECD and non-OECD alike, the Basel Convention includes two relevant provisions:

- ! *Parties shall take the appropriate measures to ensure the availability of adequate disposal facilities, for the environmentally sound management of hazardous and other wastes, that shall be located, to the extent possible, within it, whatever the place of their disposal. (Article 4, Para. 2 (b)).*
- ! Parties shall take the appropriate measures to not allow the export of hazardous wastes or other wastes to a State or group of States belonging to an economic and/or political integration organisation that are Parties, particularly developing countries, which have prohibited by their legislation all imports, or if it has reason to believe that the wastes in question will not be managed in an environmentally sound manner, according to criteria to be decided on by the Parties at their first meeting. (Article 4. Para. 2 (e)).

Thus, it is clear that the Basel Convention, the decisions of its Parties and the Basel "Ban" Amendment, forbid OECD states from exporting hazardous wastes on-board ships which are present in amounts likely to cause harm. For all exporters, other obligations of the Convention apply, which include assurances that the hazardous wastes are only dealt with in an environmentally sound manner, and that first, to the extent possible steps have been taken to handle the wastes domestically prior to export.

¹Decision IV/9 of the Fourth Conference of Parties to the Basel Convention.

Unfortunately, OECD and non-OECD countries alike, have generally not complied with their respective obligations in these respects.

The practice of profiting by exporting the costs of pollution to developing economies is unconscionable, and constitutes that form of global environmental injustice which prompted the international regimes of the OECD and the Basel Convention to make the continuation of such trade increasingly impossible. The environmental, health and moral implications are obvious and compelling. The shipping industry must internalise these costs to ensure that, in future, only products with a minimum of potential risk become part of product (vessel) design -- thus leading towards clean production and the elimination of the problem at source. To achieve this, the obligations and spirit of the Basel Convention agreements must be upheld, and the loop-holes by which these might be avoided must be closed.

2.2 The Limitations of Basel

While the Basel Convention provides an effective mechanism for preventing the export of the hazards posed by obsolete vessels, primarily to non-OECD countries, it was not designed with ships and the unique characteristics of the global shipping industry in mind. It is therefore subject to numerous potential loop-holes and possible confusion in application. Further, the Basel Convention is not best placed to address the 'up-stream' design of ships, not the owners' relevant responsibilities prior to a ship's designation as a waste. Lastly, the issue of international standards in the ship-breaking industry for workers and the environment needs to be addressed jointly by the IMO, the International Labour Organisation (ILO), the Basel Convention, UNEP and other relevant bodies.

3. The Goal: Clean Production

The ultimate goal of any effort to comprehensively address the issue of safe and environmentally sound ship scrapping must be to phase out the use of toxic substances in ship design, construction and operation. Strengthened mechanisms are needed to facilitate this process.

We must begin to move beyond hazardous waste disposal and recycling and towards clean production. In order to achieve this in the context of the shipping industry, the priority issues to be addressed are:

- (a) to ensure compliance with both the letter and the spirit of the Basel Convention, the decisions of its Parties and the Basel "Ban" Amendment, so as to prohibit exports of "hazardous" ships for demolition from OECD to non-OECD countries in accordance with the existing requirements of the Basel Convention and adherence by all countries to their other obligations under the Convention;
- (b) to ensure that shipowners are required to strip existing ships of the most problematic hazardous substances upon sale of the vessel to avoid circumvention of the Basel Convention obligations;
- (c) to ensure that adequate environmental standards and occupational safety and health provisions are applied at ship demolition yards world-wide;
- (d) to ensure that existing ships are progressively made cleaner, by systematically removing and replacing toxic and hazardous substances, during maintenance, repair, refitting and rebuilding programmes; and

- (e) to ensure that the 'next generation' of ships are 'clean ships', i.e. that they are designed and constructed with a view to eliminating their environmental and health and safety implications upon decommissioning.
-