

# EUROPEAN COMMISSION IMPACT ASSESSMENT BOARD

Brussels, 18 -07- 2008 D(2008) 6/55

### **Opinion**

Title

Impact Assessment on: EU strategy for ship dismantling

(draft version of 11 June 2008)

Lead DG

**DG ENV** 

## 1) Impact Assessment Board Opinion

#### (A) Context

Observed problems in implementing the Waste Shipment Regulation (EC Regulation No.1013/2006 amending No. 259/1993) have led the Council of the EU on 20 November 2006 to the conclusion that environmentally sound management of ship dismantling is a priority for the EU. The 'Green Paper on better ship dismantling' and the Commission Communication on an 'Integrated Maritime Policy for the European Union" underline the need for policy change. At the same time discussions on a convention on the safe and environmentally sound recycling of ships at the level of the International Maritime Organisation (IMO) are ongoing and scheduled for adoption in 2009. The EP addressed clean ship dismantling in a Resolution of 21 May 2008 and called for effective measures to be taken at EU level prior to the adoption of the IMO Convention and before 2010, the peak year of the accelerated phase-out of single-hull tankers.

#### (B) Positive aspects

The economic incentives driving the ship recycling market are presented clearly and their interrelation is well explained.

The assessment tables describe not only the magnitude of the various impacts but also the likelihood that they will materialise.

#### (C) Main recommendations for improvements

The recommendations below are listed in order of descending importance. Some more technical comments have been transmitted directly to the author DG and are expected to be incorporated in the final version of the impact assessment report.

General recommendation: The report should clarify whether existing compliance and avoidance problems will be solved with the proposed strategy. It should explain in more detail how the current Waste Shipment Regulation applies to old ships, provide a clear

Commission européenne, B-1049 Bruxelles / Europese Commissie, B-1049 Brussel - Belgium. Telephone: (32-2) 299 11 11. Office: BERL 6/29. Telephone: direct line (32-2) 2981898. Fax: (32-2) 2965960.

E-mail: <u>impact-assessment-board@ec.europa.eu</u> Website: <u>http://www.cc.cec/iab/i/index\_en.cfm</u> overview on reporting and information duties of the key actors under each option, improve the description and assessment of option 4 (integrated policy approach), and better explain the preference for a Directive rather than a Regulation.

- (1) Describe to what extent compliance and avoidance problems will be solved. The IA report clearly explains the avoidance of current legislation through reflagging or through deciding about the decommissioning of a ship outside EU waters. It should systematically analyse for each of the policy options considered to what extent they will solve this problem, and fully integrate these results in the assessment of expected costs and benefits. On this basis the report should then conclude whether this ship dismantling strategy is sufficient to deal with the expected peaks in the number of ships that need to be dismantled, or whether additional (international) action is necessary for success.
- (2) Provide a more complete description of how the Waste Shipment Regulation applies to old ships. The problem definition should make clear which ships fall under the absolute prohibition of trans-boundary waste shipments and which fall under the notification and consent procedure, and whether this will change after the introduction of the Ready for Recycling Certificate and the certification and audit scheme for ship recycling facilities. Compliance problems for both categories of ships should be further illustrated. The assessment of option 2 should explain more clearly why it concludes that an enforced implementation of the Waste Shipment Regulation combined with voluntary measures is not sufficient to achieve the set objectives.
- (3) Improve the assessment of administrative burdens. The IA report should provide a clear overview of changes in the reporting and information requirements under each option, distinguishing between ship owners, dismantling facilities and recycling states. Information gaps and needs of the Commission should be made explicit and balanced against the costs for operators to provide this information.
- (4) Assess the net impacts of the integrated policy approach. The IA report should clarify whether option 4 contains all elements of policy options 2 and 3 that were "accepted" in the assessment tables and provide a summary table of net impacts.
- (5) Explain the choice for a Directive rather than a Regulation. The IA report should explain why options 3 and 4 foresee as legal instrument a Directive rather than a Regulation, especially in light of the fact that the general requirements on waste shipment are framed in a Regulation.

#### (D) Procedure and presentation

The IA report would benefit from an overview of documents and sources used for the IA and from adding a glossary explaining the abbreviations used.

Constraints and opposing views identified through the consultation should be presented in the core text of the report. The report should explicitly state whether the Commission's minimum standards for stakeholder consultation have been respected.

## 2) IAB scrutiny process

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External expertise used	No
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