Convenient shipbreaking: Shortcomings of environmental obligations for EU ship owners and possible solutions

By: Eva Sinemus
Alumna of UiT - The Arctic University of Norway

Matter commented on: Shipbreaking and shortcomings of environmental obligations for EU Ship Owners

1 Introduction

Global maritime trade reached 11.08 billion tons in 2019 (UNCTAD, *Review of Maritime Transport 2020*, 2). At the end of their life, vessels are scrapped, mostly in environmentally highly questionable conditions. Unfortunately, 90% of scrapping continues to take place in developing States using the beaching method (Barua et al 2018, 30881), allowing pollutants to seep into the coastal and marine environment. Workers take vessels apart with gas torches while liquids are discharged on the beaches and in the sea, and wastes are burned on the beach (Galley 2014, 11). The harmful beaching practice is especially widespread among vessels owned by EU nationals (EU owners) (European Commission, *Ship recycling: reducing human and environmental impacts 2016*, 3). EU owners scrap their end-of-life vessels in the developing States at substandard shipbreaking yards, with substantial impacts on the environment. An uncomfortable truth comes to show: With EU lawmakers watching, EU owners operate vessels for decades, profiting greatly. As soon as the profit margins decrease, there are no qualms to sail those vessels full of asbestos and oil onto a developing State's beach, destroying the environment in the process.

This blog post addresses the legal issues around shipbreaking and proposes solutions. After this introduction, section 2 assesses the legal framework, both on an international and EU level, and highlights advantages and weak points of the legislation in place. Section 3 goes on to discuss how ship owners use schemes such as flags of convenience (FOC) in order to evade existing rules. Section 4 proposes solutions to the unsatisfactory legal situation around shipbreaking, followed by section 5 which offers concluding remarks.

2 Applicable Legal Framework on Shipbreaking

The subject of shipbreaking is not a legal void. There have been both regional and international regulations in place on the matter applicable to EU owners. This section covers the 1989 Basel Convention and its 1995 Amendment, which was translated into the EU Waste Shipment Regulation (EU WSR), the Hong Kong Convention (HKC), and the EU Ship Recycling Regulation (EU SRR).

2.1 Basel Convention and EU Waste Shipment Regulation

Both the Basel Convention and its EU counterpart, the EU WSR, regulate transboundary movements of hazardous wastes. In 1995, the 'Basel Ban' amendment was adopted to the Basel Convention, and incorporated as Art. 4A providing: "Each Party listed in Annex VII shall prohibit all transboundary movements of hazardous wastes which are destined for operations according to Annex IV A, to States not listed in Annex VII". Those are "parties and other States which are members of OECD, EC, Liechtenstein". Even earlier, in 1997, such ban was incorporated in EU legislation in the EU WSR, legally binding all member States. Its key element is the ban of shipment of all waste outside EFTA countries

under Art. 34, according to which "all exports of waste from the Community destined for disposal shall be prohibited" except for shipments to EFTA countries which are also parties to the Basel Convention. While an export ban is a strong mechanism, the instruments have two major issues. Firstly, the definition of waste is tied to the intent of the holder. According to Art. 2(1) of the Basel Convention, wastes are "substances or objects which are disposed of or are intended [or] required to be disposed of by the provisions of national law". According to Art. 2(1) EU WSR and Art. 1(1)(a) of Directive 2006/12/EC wastes are also defined as substances or objects "which the holder discards or intends or is required to discard". Even if it seems evident that the only intent to sell to a cash buyer is the disposal of the ship, such intent is hard to prove when the owners claim that the ship is sold for repair or further use (NGO Shipbreaking Platform, *Cash Buyers*). In many cases, EU waste shipment authorities could not prove the dismantling purpose and ships had to be released from custody (Ormond 2012, 555). Secondly, and maybe even more importantly, circumventing the provisions is easy for the following reason. The State that is obliged to prohibit the movement of waste is the "State of export" from which the "transboundary movement of hazardous wastes or other wastes is planned to be initiated or is initiated" (Arts. 2(10), (13), 4A Basel Convention); or the "country of dispatch' [meaning] any country from which a shipment of waste is planned to be initiated or is initiated" (Arts. 2(22), 24 EU WSR). The only thing ship owners and buyers have to do is to conduct the sale and start the transit in an area beyond national jurisdiction (Matz-Lück 2010, 100) or a country not bound by the amendment (NGO Shipbreaking Platform, *Cash buyers*). In that case, there is no State of export or dispatch and the Basel Convention or EU WSR are not applicable.

2.2 The Hong Kong Convention

The IMO Diplomatic Conference on Ship Recycling held in 2009 in Hong Kong led to the adoption of the HKC. The aim of the Convention is to protect human health and the environment from harm caused by shipbreaking (IMO, *Recycling of Ships*). The Convention is the first legal instrument addressing the issue of shipbreaking. It aims at solving the issues from multiple angles. Firstly, it regulates the shipbreaking process at the end of the vessels' life. Secondly, it provides rules on the design, construction, operation and maintenance of ships, thus implementing a 'cradle to grave' approach (Engels 2013, 27). Of special importance is regulation 8, which provides that "ships destined to be recycled shall: [only] be recycled at Ship Recycling Facilities that [are] authorized in accordance with this Convention" and "certified as ready for recycling by the Administration or organization recognized by it, prior to any recycling activity taking place".

The HKC offers valuable provisions and holds both flag and recycling States responsible. Especially valuable is that only certified ships can be wrecked and only authorised yards can conduct the process. However, the Convention does not ban the highly problematic beaching practice (Matz-Lück, 99). Another crucial issue of the HKC relates to its provisions on applicability. According to Art. 3, the HKC shall apply to: i) ships entitled to fly the flag of a Party or operating under its authority; and ii) Ship Recycling Facilities operating under the jurisdiction of a Party. According to Art. 4.1, it is then the flag States' responsibility to take measures to ensure compliance with the Convention's requirements. The Convention does not specify further how such responsibility is to be achieved, which leaves flag States with great leeway in the implementation and enforcement of the rules. Secondly, according to Art. 4.2, States are responsible for the ship recycling facilities under their jurisdiction. This means that the shipbreaking States themselves are responsible for the creation and enforcement of rules to protect the

environment from the shipbreaking industry. The enactment of strict national environmental rules might limit the operations of States which practice shipbreaking. Therefore, the enactment of such rules by those States who are highly dependent on the industry seems unlikely.

The biggest issue is, however, that the Convention has not (yet) entered into force since not all three requirements of Art 17 have been met. Firstly, according to Art. 17, 15 States must be signatories to the Convention. Secondly, the combined merchant fleets of the parties shall constitute not less than 40 per cent of the gross tonnage of the world's merchant shipping. Thirdly, the combined maximum annual ship recycling volume shall constitute at least 3% of the combined merchant fleet gross tonnage to make sure that the parties have the capacity to meet their own ship recycling demands. As of 2015, when India acceded, the first requirement has been met (IMO, *India accession brings ship recycling convention a step closer to entry into force*). However, the second requirement has not been met. While there are 16 contracting States, these only constitute 29.58 % of the gross tonnage of the world merchant fleet (IMO, *Status of Conventions*).

2.3 The EU Ship Recycling Regulation

Besides the EU WSR, the EU Parliament and the Council of the EU adopted the EU SRR in 2013 with the objective of reducing negative impacts of ship recycling (NGO Shipbreaking Platform, *EU Ship Recycling Regulation*). The key obligation is incorporated under Art. 6(2)(a) EU SRR, which prescribes that "ship owners shall ensure that ships destined to be recycled [are] only recycled at ship recycling facilities that are included in the European List". To be included in the list, facilities must comply with the requirements set out in Art. 13 EU SRR. Besides the general obligation that ships must be "designed, constructed and operated in a safe and environmentally sound manner", the provision factually prohibits the practice of beaching. According to Art. 13(1)(b) of EU SRR, recycling activities must be conducted from built structures and environmentally sound management has to be ensured. Beaching, as the name suggests, happens on the beach, without any built structures, and is therefore excluded.

The stricter provisions and heightened standards are a great step towards a higher standard of environmental protection. Especially important is the "list approach" of the regulation. At this point, however, it must be kept in mind that the main generators of end-of-life ships are not EU *flagged* ships, but the far greater number of EU *owned* vessels. The EU SRR does not address those. From the point of view of ship owners, flying an EU flag means a more rigorous framework and higher costs for ships that are recycled in the EU instead of scrapped in substandard breaking yards. Therefore, the implementation of the EU SRR might not result in a higher standard of shipbreaking, but instead encourage owners to reflag their vessels to States which are not bound by the EU SRR, thus leading to an overall lower number of vessels being responsibly recycled (European Commission, *Financial instrument to facilitate safe and sound ship recycling*, 42). The main goal of the EU should be to achieve environmentally friendly recycling of all ships with strong links to the EU, meaning both EU flagged *and* owned vessels. The EU SRR fails to achieve that goal and focusses only on EU flags, leaving out a major part of the issue. While the provisions of the EU SRR constitute an important step in the direction of less environmentally harming shipbreaking practices, they miss EU owners as main generators of waste.

3 Evasion of rules by flags of convenience (FOC) and reflagging

There is another important issue touching upon shipbreaking, which is the use of FOC and reflagging practices to evade otherwise applicable rules. Most EU countries among the 35 top owners of the world fleet by dead-weight tonnage have registered far more than 80% of their vessels under foreign flags (UNCTAD, *Review of Maritime Transport 2020*, 41). In 1974, the International Transport Workers' Federation (ITF) defined FOC as a flag "where beneficial ownership and control of a vessel is found to be elsewhere than in the country of the flag the vessel is flying" (ITF Global, *Flags of Convenience*). At this point it is important to note that the issue with shipbreaking is not necessarily non-compliance of certain flag States with environmental rules. The issue is rather that ships are registered with flags that are non-parties to otherwise applicable legislations: i.e. ship owners can register in States that are not bound by the Basel Convention, EU WSR or EU SRR.

These practices are possible because of the rules on jurisdiction and control over ships. According to Art. 92 (1) of the Law of the Sea Convention (LOSC) every ship "shall sail under the flag of one State only and […] shall be subject to its exclusive jurisdiction on the high seas". According to Art. 58(2) LOSC flag States' rights apply to the EEZ as far as they are not incompatible with part V of the Convention. Further, Art. 94 LOSC prescribes that: "every State shall effectively exercise its jurisdiction and control in administrative, technical and social matters over ships flying its flag". The only condition imposed by the regime in granting nationality to ships is found in Art. 91 (1) of the LOSC and Art. 5(1) of the 1958 High Seas Convention, which require that "there must exist a genuine link between the State and the ship". The exact meaning of the "genuine link" requirement has been subject to debates. Two central questions are raised here: Is the genuine link between ship and flag State a mandatory requirement to receive the flag of a country? And, what are the consequences if no such link exists - can other States reject the flag?

A look at two important ITLOS decisions might help to address these questions. In the M/V Saiga Case, the Tribunal held that there was nothing in Art. 94 of the LOSC permitting the non-recognition of a flag by other States. The purpose of the genuine link is the more effective implementation of flag State duties and does not establish criteria for the validity of the registration to be challenged by other States (Churchill 2000, 49). ITLOS also reiterated this view in its 2014 judgement on the *Virginia G Case, where* Guinea-Bissau had arrested a Panama-flagged vessel in Guinea-Bissau's EEZ. Guinea-Bissau argued the inadmissibility of Panama's claims because of the lack of a genuine link between the flag and the ship and that it therefore did not have to acknowledge the ship's right of navigation in its EEZ (M/V Virginia G Case, 44). The Tribunal stated that:

> *[O]nce a ship is registered, the flag State is required, under article 94 of the Convention, to exercise effective jurisdiction and control over that ship in order to ensure that it operates in accordance with generally accepted international regulations, procedures and practices. This is the meaning of 'genuine link' (M/V Virginia G Case, para. 113*). (Emphasis added)

The discussions on the genuine link requirement have been turbulent and some aspects seem unclear. However, a few main points can be deducted: Firstly, there is the general agreement that a genuine link in some form is required. It is also common agreement that it is the States' discretion how genuineness is ensured (Churchill 2000, 38). One form is the establishment of national laws on nationality of

ownership or crew. This is, however, not the only possibility, as seen by the fact that such requirement could not reach a majority in the process of developing Art. 5 of 1958 Convention on the High Sea. In the end, the development of the discussions between States and consistent case law show that the meaning of the genuine link is the duty for flag States to exercise effective jurisdiction and control on vessels registered under their flag.

This means that flag States must enforce instruments to which they are parties to the vessels flying their flags. However, if the main legal framework on shipbreaking is not applicable because owners register under a flag that is not party to the relevant instruments, the rules run dry as owners can easily evade them by reflagging.

4 Possible Solutions to Close the Gaps

The above discussion shows that it is not only important to implement strict rules on the subject of ship recycling, but that lawmakers must pay attention to the realities of the industry. Imposing stricter rules on flag and port States, which owners can evade easily by leaving the port States jurisdiction and reflagging, cannot serve the purpose. Lawmakers must find solutions to prevent these practices. The goal must be to not only have a strict framework on paper but rather one that reaches the actual generators of waste, those being EU ship owners. In this section, I offer some thoughts on addressing the gaps of the framework discussed above.

4.1 Amending international Conventions and EU legislation

One possible solution could be the amendment of international Conventions and EU legislation to address the aforementioned weak points of the existing legal framework.

4.1.1 Amending Basel Convention, the EU WSR, and the HKC

One desirable approach to fill the gaps would be to strengthen the Basel Convention and EU WSR by implementing flag State jurisdiction instead of port State jurisdiction. It is however questionable if States would agree to such change. States have tried to implement an instrument relying (also) on flag State jurisdiction for years: the HKC. However, the HKC has not entered into force because the requirements of Art. 17 HKC have not yet been fulfilled. Only two of the leading ten flag States by dead-weight tonnage, Panama and Malta, have acceded to the Convention (IMO, *Status of Conventions*). Keeping in mind that the top five flag States account for almost 60% and the top ten for almost 80% of the world's dead-weight tonnage (UNCTAD, *Review of Maritime Transport 2020*, 44), it becomes evident that without their participation the entry into force of the HKC is almost impossible. The reason for flag States' hesitance is clear: the HKC imposes obligations on them regarding the shipbreaking process without offering any substantial incentives. Since only two of the top ten flag States were willing to accede to the HKC as an instrument relying on flag State jurisdiction specific to ship recycling, the implementation of such jurisdiction for *all* transboundary movements of waste such as the Basel Convention or EU WSR is unlikely.

The same thoughts apply to amendments of the HKC itself. The creation of an independent assessment body to authorise shipbreaking facilities and other stricter rules, such as the prohibition of the beaching

practice, are highly desirable. However, the HKC has not even acquired enough parties for its implementation in its current, weaker form. The implementation of the HKC in a stricter form, including an independent assessment of facilities and the prohibition of beaching, is unlikely.

4.1.2 Amending the EU SRR

A different approach instead of using a weak international instrument is the further development of a stronger regional agreement such as the EU SRR. European owned ships constitute a big share of the vessels that are broken in Asian shipbreaking yards. German owners for example beached 74% of their vessels in 2015 while the number for Greek owners at 87% is even higher (European Commission, *Ship recycling: reducing human and environmental impacts 2016*, 3). Hindering those to be broken in sub-standard breaking yards would constitute a strong incentive for shipbreaking countries to adhere to environmental standards. Prohibiting Europeans from selling their vessels to the major shipbreaking countries would force the shipbreaking industry to change their practices in order to conform to the European list requirements. This would lead to a change in the shipbreaking industry towards a greener future.
For this to happen, the EU SRR must ensure that in practice fewer European owned ships reach Bangladesh, India and Pakistan. The apparent issue here is that, while the EU SRR's rules *are* strict and do include a listing approach, they only apply to EU member States in their capacity as *flag* States while very few vessels owned by European owners are actually registered in EU member States. The provisions do not address the far greater number of non-European flagged but European *owned* vessels, which continue to sail to substandard breaking yards unhindered. Therefore, the EU SRR must be amended so that the *owner* State of the vessel is an addressee besides the flag State. European *owner* States shall have the obligation to prevent their nationals from exporting their vessels to facilities that are not included on the list. This way, the EU SRR could reduce the stream of vessels from Europe to breaking yards in Asia. This could incentivise shipbreaking States to agree to rules offering stricter environmental protection. This means that besides the rules applying on flag States, EU member States shall have the duty to prohibit their ship-*owning* nationals from wrecking their vessels in shipbreaking yards that are not included in the European list. This approach can cover all ships with a link to the EU – be it because of flag or owner nationality.

This added focus on owners instead of flag States in the EU SRR has two expected effects. Firstly, the rules of the EU SRR based on owners' nationalities would cover a greater number of vessels and be harder to circumvent - registering the vessel in an open register would not suffice. Secondly, hindering EU *owners* from sailing their vessels to unlisted facilities would make the entry into force of the HKC more likely as shipbreaking States would receive less business. This would incentivise facilities in shipbreaking countries to fulfil the standards of a European list to be able to scrap EU owned vessels. In the future this would lead to the shipbreaking States' desire to become part of an international agreement such as the HKC, since then they would not only comply with rules of a regional agreement in which they have no say, but could rather influence the agreement. At this point, shipbreaking States, which would have started to develop recycling facilities living up to the requirements of the European list, would accede to the HKC, thus making it enter into force.

Furthermore, shipbreaking States would want to be able to influence the process of authorisation of facilities instead of just living up to the EU list's requirements without having a place at the table. This

way, with the shipbreaking States as parties to the HKC, the agreement on the adoption of a 'list approach' in the HKC executed by an independent international authority, seems possible in the future. This solution also considers flag State interests. Instead of putting more and more obligations on them, which are easy to circumvent, the rules would focus on owners – who are the real generators of the waste – and give incentives to sub-standard facilities to implement less environmentally harmful practices.
In conclusion, changing the EU SRR could lead to the HKC's gradual acceptance and to its entry into force. In the next step, the parties should strengthen the HKC by implementing stricter rules such as a list approach and a ban of the beaching practice.

4.2 The Shipbreaking Fund

Another approach, besides the aforementioned changes in the EU SRR, is the development of a shipbreaking fund. Such fund could constitute a strong instrument to pave the way to a greener ship recycling industry. The shipbreaking fund is a financial mechanism based on ships calling at EU ports, regardless of which flag the vessels are flying. The current system of shipbreaking relies on the fact that selling vessels to Asian shipbreaking yards is cheaper than responsibly recycling in the EU. Major shipbreaking yards save money by using non-environmentally friendly methods (such as beaching instead of the dry dock method), low expenses for labor and insufficient machinery (European Commission, *On the feasibility of a financial instrument that would facilitate safe and sound ship recycling*). This way, they can offer high prices to ship owners when they want to dispose of their end-of-life ships. The aim of a financial incentive would be to minimize the owners' profit gap between dismantling in substandard and EU list yards (European Commission, *On the feasibility of a financial instrument that would facilitate safe and sound ship recycling*).

A 2016 study of the European Commission proposed the instrument of a Ship Recycling License (SRL). The scheme is supposed to work as follows: ships calling at EU ports are required to hold a license, the SRL. Owners can acquire the license from a centralized EU agency for a minor administration fee under a public administrative legal instrument, which could either be a separate instrument or incorporated in the EU SRR. After that, the current ship owner pays a premium (European Commission, 12). The premium charged over the years is calculated so that it will mirror the gap between recycling the ship in a facility included on the EU list and breaking it in a substandard yard. After proving that the vessel, on reaching the end of its life, was recycled in a facility that is included on the EU list and in compliance with the other provisions of the EU SRR, the premiums are paid back to the ultimate ship owner (European Commission, 12-13). In the event that the ship is not recycled in compliance with the EU SRR, the paid premium is transferred to a general benefit fund in the area of ship recycling (European Commission, 13).

The SRL has strong advantages. In the current regime of shipbreaking most owners have two options:

> (1) Selling the ship to a non-EU broker while disguising the intent to dispose and/or while acting under a FOC. The broker then sells the ship to a substandard breaking yard and the owner obtains plenty of money for the sale; and
> (2) Recycling the vessel at a responsible yard. This means the owner will not obtain money for the sale and possibly even end up paying for the disposal of hazardous waste.

It is easy to understand why most ship owners make the economic decision and choose the sale to a broker or the operation under a FOC. The SRL has the potential to prevent these circumvention behaviors. Instead of facing the final decision to either give millions of dollars away or recycle responsibly, owners will pay small premiums over the years. In the end, the decision they will face is a different one: they can either sell the ship to a substandard yard and gain money for the sale, or recycle it at an EU listed yard and receive the paid premiums back. The second option has the advantage that the ship owner does not need to reflag the vessel or use other potentially complicated or cost intensive schemes such as the disguise of ownership to receive money. Furthermore, by applying to all vessels calling in EU ports, regardless of their flag, EU owners are less inclined to circumvent the EU SRR's or other instruments' provisions by registering outside of the EU. This could constitute an important step in the direction of a framework that actually reaches all ships with links to the EU. Another advantage could be positive effects on the professional reputation for owners who decide to recycle their vessels responsibly.

There are, however, issues with this proposal. Firstly, it will make operating costs for vessels higher. At this point, it must be kept in mind that the SRL would apply to all vessels calling in at EU ports. Therefore, there is no distortion of competition or disadvantage for certain actors while the slightly higher costs for the sake of a more environmentally friendly shipbreaking industry are reasonable, especially since ship owners can get most of the money back. Besides that, there is a second, more problematic criticism of the proposal, which runs like a red thread through all attempts to create a more responsible framework for the ship recycling industry. The SRL is supposed to stop end-of-life ships from going to substandard breaking yards and have them recycled at facilities on the EU list instead. However, for now, the EU list almost solely contains breaking yards in the EU (EU Commission Implementing Decision 2016/2323), and while they have capacity to handle the recycling of all EU flagged ships (Transport & Environment 2018), the much greater capacity needed for all EU *owned* ships is unlikely. This could create the issue that owners will want to recycle their vessels responsibly to receive their premiums back but will not be able to do so because EU breaking yards are at full-capacity or there would be year-long waiting periods before a ship can be recycled. This is counterproductive because it takes away the incentive to scrap responsibly and it is also unfair. The EU cannot create the SRL as an incentive to make owners scrap their vessels at listed yards and then not have the capacity to do so. If there is no capacity and a vessel cannot be recycled at a listed yard even if the owner wants to, does that mean the owner will not receive their payments to the fund back? Therefore, the SRL needs mechanisms to deal with the situation that owners want to recycle responsibly but cannot because of a backlog based on the lack of facilities.

Firstly, the EU needs to work on expanding their capacities to recycle ships. Secondly, it needs to work on authorizing facilities outside of the EU and participate in building and enhancing those facilities to comply with the EU list's requirements. For both those purposes, the EU could use the money from the general benefit fund. Thirdly, the instrument needs provisions to guarantee that in cases when the owner is not at fault for delay or lack of capacities, they can get their premiums back before the vessel has been recycled, and that it is not their responsibility to store the vessel for years at their own cost. If the EU can guarantee this and continues working on the expansion of the EU list, the SRL is a desirable instrument to make owners use more responsible practices.

As shortly mentioned above, the proposals to address owners in the EU SRR and the SRL raise the question if the instruments could co-exist. One might think that if the EU SRR addresses owners and

prohibits them from breaking their vessels in sub-standard breaking yards, the SRL as an incentive for owners would not be necessary – the SRL would incentivize EU to do something they are legally obliged to do anyways. This argument can however not hold up for the following reasons. Firstly, it would still be possible to disguise real ownership, in which case the EU SRR would not be applicable. Secondly, the SRL would not only apply to EU owners but to all vessels calling at EU ports. The application of the SRL besides the prohibition of the EU SRR is also a good mechanism for the acceptance of changes in the market for the shipping industry. It is a softer instrument than the 'listing approach' and takes the interests of vessel owners into account. Another positive effect is the existence of the general benefit fund, which can be used to bring forward the development of responsible recycling facilities. The instruments do not contradict but rather complement each other and can work together.

5 Concluding Remarks

The existing framework has multiple gaps and does not address EU owners as main generators of the waste. A combination of a stronger EU SRR and a shipbreaking fund could lead to the implementation of the HKC as an overarching ship recycling specific instrument while preventing EU owners from evading the rules. Whilst these legal mechanisms take effect, and more owners try to recycle their vessels responsibly, the EU must take practical steps as well. To make the rules' implementation practically possible, the EU list, and in the future possibly the HKC list, must be continuously extended while also expanding the European ship recycling capacity. At the same time, the EU shall (co-)finance the development of environmentally friendly ship recycling yards in the developing States to meet their obligations pursuant to the 'polluter pays' principle.

The international community has faced the issues around environmentally harmful shipbreaking practices for a long time. It is especially intolerable how EU owners operate ships for decades, making large profits, and then dispose of the vessels in the developing States, causing major environmental damage. What makes these practices even more unacceptable is that while there are rules on responsible ship recycling, EU owners, wilfully and easily, evade them. EU lawmakers must face their responsibility and put an end to those practices. The EU must take a leading role in making EU owners use responsible practices and must stop hiding behind weak and easily evadable rules applicable only to flag States. The EU, as the real generator of a big part of the waste, must especially take a leading role in bringing forward the global framework on responsible ship recycling. In the future, EU measures regarding the obligations for EU owners in the EU SRR and the development of an SRL could pave the way to an overarching global instrument on ship recycling, such as the HKC. This should be the EU's main goal.

However, not all is bad. There are some glimpses of hope in how EU countries have handled incidents. The Dutch ship owner Holland Maas Scheepvaart Beheer II was fined 780.000 EUR, and paid a settlement of 2.2 million EUR after selling the HMS Laurence to a cash buyer. The vessel had subsequently been broken in Alang, India in substandard conditions (NGO Shipbreaking Platform, *Press Release – Another Dutch ship owner faces huge fine for having beached a vessel)*. The Court ruled that the sale of the ship constituted a violation of the EU WSR. While EU courts start holding owners accountable, more and more EU ship owners such as Dutch Boskalis, German Hapag Lloyd, and Scandinavian companies Wallenius-Wilhelmsen and Grieg commit to sustainable recycling policies regarding shipbreaking (NGO

Shipbreaking Platform, *Press Release – Another Dutch ship owner faces huge fine for having beached a vessel*). This leaves hope for a greener and more responsible future of ship recycling.