# International Oil Pollution Compensation Funds

## Annual Report 2020

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In addition, despite the inevitable impact that the pandemic must have had on the administrative departments of reporting authorities and oil receivers, the Secretariat still received reports totalling almost 97% of the expected total contributing oil for 2019. Furthermore, over 97% of the contributions due for payment in 2020 were received, and the 1992 Fund also received payment of significant outstanding amounts from previous years. In other positive news, we have learnt of further progress by States towards accession to the 2010 HNS Protocol, with some developing implementing legislation and others going as far as preparing reporting tools and procedures. Meanwhile, the Secretariat has also continued with the required administrative preparations as we move closer to entry into force of this important treaty.

Looking ahead to 2021, whilst we cannot confidently say that our practices will return to normal, we can remain hopeful that we will be able to begin to work towards in-person meetings again. The 2020 remote meeting was undoubtedly successful, however, there remain many advantages to physical meetings. Certainly, the limitation on time in December meant that we were forced to postpone some key items, notably a proposal by India to carry out a review of the 1992 Conventions. That discussion, the appointment of a new Director and other important debates are waiting for Member States in 2021. Whatever lies ahead, the IOPC Funds have gained valuable experience in 2020 that will certainly assist the organisation going forward, and indeed myself and my fellow Chairs, Mr Sungbum Kim for the Supplementary Fund Assembly and Ms Gillian Grant for the 1992 Fund Executive Committee, as we do our very best to serve Member States for another year.

Gaute Sivertsen
Chair of the 1992 Fund Assembly

“In December the IOPC Funds successfully held its regular sessions remotely for the first time ever.”
The year 2020 was an extraordinary and difficult year for us all. The COVID-19 pandemic impacted daily life and working practices around the globe and the work of the IOPC Funds was no exception. Fortunately, the Secretariat had already implemented a robust and updated business continuity/disaster recovery plan and had introduced a remote working policy prior to the outbreak of the pandemic. This meant that the organisation was ready and able to adapt swiftly to working life away from the Funds’ offices and could continue to carry out its core tasks without interruption. It gives me great pleasure, therefore, to be able to report in this annual review on the various activities of the IOPC Funds in 2020.

The assessment of claims continued throughout the year and the 1992 Fund made further payments of compensation in respect of the Agia Zoni II, Hebei Spirit and Trident Star. Regrettably, some incidents involving the IOPC Funds saw court cases postponed, limiting the progress that could be made. However, in the case of the Bow Jubail an important judgment was issued late in 2020 and in the Prestige, the Spanish Court distributed compensation in line with the Supreme Court’s judgment.

The Audit Body continued to meet remotely to ensure delivery of its work programme ahead of the expiry of the term of office of its members at the end of the year. The work the Audit Body undertakes and the support it provides to the organisation is always invaluable and I would like to take this opportunity to express my particular gratitude and appreciation to the outgoing team, who have had to work through exceptionally difficult circumstances, not only in 2020, but across their three-year term. In the absence of a physical meeting, thanks to the flexibility and cooperation of Member States, the election of the new members of the Audit Body at the December session of the 1992 Fund Assembly was held using an online voting tool and we look forward to working with the new team in 2021.

The Investment Advisory Body also continued to meet remotely. Their commitment and efforts to monitor and safeguard the assets of the organisation during such difficult times have been very much appreciated.

Last year, the pandemic made it more difficult for the IOPC Funds to assist and engage directly with States and other key stakeholders through training, conferences and other international events as the majority of such activities were inevitably postponed or cancelled. Nevertheless, a number of online training activities were delivered and the Secretariat continued to collaborate with fellow maritime or oil response organisations where possible. With that experience behind us, the Secretariat is now in a position to offer a wider range of online activities in 2021, either to replace, if necessary or complement physical activities to widen the Funds’ reach.

The Secretariat also took the opportunity to develop and implement a number of internal practices and tools, including a new internal financial management system, which will greatly assist day-to-day work from now on.

“With a business continuity plan and remote working policy in place, the organisation was ready and able to adapt swiftly to working life away from the Funds’ offices and carry out its core tasks without interruption.”

Whilst I am pleased that we were able to successfully adapt to remote working, we are all looking forward to a safe return to the Funds’ offices and the IMO building. We will, of course, continue to work closely with IMO to monitor the situation and follow the guidance of the World Health Organization and the United Kingdom Government as Host State.

Wherever we are based, the organisation has a number of important tasks ahead. The implementation of the 1992 Conventions and the growth of both the 1992 and Supplementary Funds remain a priority. We must continue to promote the understanding and correct application of the international liability and compensation regime, to engage with Member States and encourage their participation at meetings and to keep our contributors well informed of developments within the organisation. The IOPC Funds will also continue to prepare the necessary administrative tasks ahead of the establishment of the HNS Fund and the first session of the HNS Fund Assembly, as the Convention heads closer to entry into force.

This year, the IOPC Funds will elect a new Director, as my second term of office as Director comes to an end on 31 December 2021.

“The past year has demonstrated more than ever that shipping is vital to our daily lives. The transport of goods by sea, including oil, has not ceased and the risk of oil spills has remained throughout.”

It was with great sadness that the IOPC Funds learnt in July 2020 of the passing of Mr Samuel Minkeng (Cameroon) who had served as second Vice-Chair of the 1992 Fund Assembly since 2014 and actively represented Cameroon at meetings for over 10 years. The Director conveyed the condolences of the IOPC Funds to Mr Minkeng’s family and friends.

João Maura
Director
The International Oil Pollution Compensation Funds (IOPC Funds) provide financial compensation for oil pollution damage that occurs in its Member States, resulting from spills of persistent oil from tankers.

An international regime of compensation for tanker spills was established by IMO through the adoption of the 1969 Civil Liability Convention and 1971 Fund Convention. The latter Convention established the first IOPC Fund.

Following a number of large incidents during the 1980s, it became clear that the amount available under the original Conventions was insufficient and IMO developed two Protocols which increased the limits and widened the scope of the original Conventions, creating the 1992 Civil Liability Convention and the 1992 Fund Convention.

In 2003, a third instrument, the Supplementary Fund Protocol, was adopted, providing 1992 Fund Member States with additional compensation above that available under the 1992 Fund Convention, should they opt to also become Parties to that Protocol.

Since their establishment, the 1992 Fund and the preceding 1971 Fund have been involved in over 150 incidents of varying sizes all over the world and have paid some £1747 million in compensation. No incidents have occurred so far which have involved amounts exceeding those available under the original Conventions.

The IOPC Funds comprise two organisations, the 1992 Fund and Supplementary Fund. It has a Secretariat based in London, United Kingdom and employs international experts as required.

This report focuses on the work of the IOPC Funds during 2020. For further general information about the organisation and its history, please visit www.iopcfunds.org.

118 MEMBER STATES OF THE 1992 FUND

52 MEMBER STATES OF THE SUPPLEMENTARY FUND

Based in London, the IOPC Funds shares its premises with the International Maritime Organization (IMO). As a specialised agency of the United Nations, IMO is the global regulatory body for the shipping industry.

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LEGAL FRAMEWORK

The international liability and compensation regime is currently based on:

- the International Convention on Civil Liability for Oil Pollution Damage, 1992 (1992 CLC)
- the Protocol of 2003 to the 1992 Fund Convention (Supplementary Fund Protocol)

These three instruments all apply to pollution damage caused by spills of persistent oil from tankers in the territory (including the territorial sea) and the exclusive economic zone (EEZ) or equivalent area of a State Party to the respective treaty instrument.

1992 CIVIL LIABILITY CONVENTION

The 1992 CLC provides a first tier of compensation which is paid by the owner of a ship which causes pollution damage.

Under the 1992 CLC, the shipowner has strict liability for pollution damage caused by the oil, i.e. the shipowner’s liability is independent of fault on the part of the ship or its crew. However, the shipowner can normally limit its liability to an amount that is determined by the tonnage of the ship.

For ships carrying more than 2,000 tonnes of oil as cargo in bulk, the shipowner is obliged to maintain insurance to cover its liability under the 1992 CLC, and claimants have a right of direct action against the insurer.

1992 FUND CONVENTION

The International Oil Pollution Compensation Fund, 1992 (1992 Fund) was set up under the 1992 Fund Convention and is financed by the oil industry and managed by governments.

The 1992 Fund provides a second tier of compensation when the amount available under the 1992 CLC is insufficient (i.e. the damage exceeds the limit of the shipowner’s liability) and also when the shipowner is exempt from liability or is financially incapable of meeting its obligations under the 1992 CLC.

The maximum compensation payable by the 1992 Fund is SDR 203 million, irrespective of the size of the spill. This maximum amount includes the sums actually paid by the shipowner under the 1992 CLC.

SUPPLEMENTARY FUND PROTOCOL

The Supplementary Fund provides a third tier of compensation on top of the amount available under the 1992 Fund Convention in States which are also Parties to the Supplementary Fund Protocol. The total amount available for compensation for each incident is SDR 750 million, including the amounts payable under the 1992 Conventions.

The full texts of the 1992 Conventions and the Supplementary Fund Protocol may be obtained from the publications page of the Funds’ website: www.iopcfunds.org.

MAXIMUM LIMITS OF COMPENSATION

<table>
<thead>
<tr>
<th>Tonneage of ship (x1 000 units)</th>
<th>0</th>
<th>50</th>
<th>100</th>
<th>150</th>
<th>200</th>
<th>250</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDR (millions)</td>
<td>10</td>
<td>50</td>
<td>100</td>
<td>150</td>
<td>200</td>
<td>250</td>
</tr>
</tbody>
</table>

*The unit of account in the Conventions is the Special Drawing Right (SDR) as defined by the International Monetary Fund.
LEGAL FRAMEWORK

STOPIA AND TOPIA

The Small Tanker Oil Pollution Indemnification Agreement (STOPIA) and the Tanker Oil Pollution Indemnification Agreement (TOPIA) are two voluntary agreements set up by the shipowners and the P&I Clubs which are members of the International Group, to indemnify, up to certain amounts, the 1992 Fund and Supplementary Fund, respectively, for the compensation paid. Although not parties to these agreements, the 1992 Fund and Supplementary Fund have legally enforceable rights to indemnification from the shipowner in accordance with the agreements.

Indemnification was paid to the 1992 Fund under STOPIA in respect of the Solar 1 incident (Philippines, 2006). STOPIA is also applicable to the Trident Star incident (Malaysia, 2014). The insurer has, therefore, been reimbursing the 1992 Fund for compensation payments made in respect of that incident. Since there have been no incidents involving the Supplementary Fund, TOPIA has not been applied.

NEW MEMBER STATES

Guyana became a 1992 Fund Member State in February 2020. A former Party to the 1971 Fund Convention, Guyana was no longer covered by the IOPC Funds from 2002 when the 1971 Fund Convention ceased to be in force and, unlike the majority of States, it did not accede to the new 1992 Fund Convention at the time. However, with a number of oil and gas development projects currently underway, Guyana is now taking the right steps to ensure the relevant international treaties, including the 1971 Conventions, are in place. This will ensure that the State is prepared for the future risks that an increase in shipping along its 450km coastline will inevitably bring.

The Gambia joined the 1992 Fund in October 2020. Another former Party to the 1971 Fund Convention, the Gambia had also been without the protection of the IOPC Funds for some 18 years, relying solely on the limited coverage of the 1969 Civil Liability Convention. Now, as a Party to both the 1992 CLC and the 1992 Fund Convention, the Gambia’s narrow coastline of around 80km is once again protected from the economic consequences of incidents caused by passing oil tankers.

In February 2020, the Director met with H.E Mr. Francis R. Bilal, High Commissioner of the Gambia, at the Funds’ offices and was able to formally welcome the State to the organisation and provide an overview of the role of the Funds. Later in 2020, the Secretariat provided support to the Gambia with regard to the implementation of the relevant legislation as part of a targeted activity organised by the GI WACAF project.

The Director is delighted to welcome these two former 1971 Fund Member States back to the IOPC Funds and looks forward to their participation in meetings and contribution to the work of the organisation in the future.

1969 CIVIL LIABILITY CONVENTION

The original international regime was based on the 1969 Civil Liability Convention (1969 CLC) and the 1971 Fund Convention. While the 1971 Fund Convention is no longer in force, the 1969 CLC remains active, but it offers lower limits of compensation than the 1992 CLC. It is recommended that any State still Party to the Convention should increase its protection by acceding to the 1992 CLC and denounced the 1969 CLC as soon as possible.

The following States remain Party to the 1969 CLC only:

- Brazil
- Kazakhstan
- Costa Rica
- Libya
- Equatorial Guinea
- Sao Tome and Principe

STOPIA & TOPIA

2 voluntary agreements by shipowners and IG P&I Clubs

Incident involving STOPIA ship: 1992 Fund indemnified by the Club for compensation paid up to SDR 20 million

Incident involving TOPIA ship: Supplementary Fund indemnified by the Club for 50% of any compensation paid

OPERATIONAL REVIEW
SECRETARIAT

The 1992 Fund and the Supplementary Fund share a joint Secretariat, consisting of 25 staff members as at 31 December 2020. The Director is the chief administrative officer and is responsible for the overall management of the Funds, including maintaining a sound system of internal control that supports the achievement of the Funds’ policies, aims and objectives and safeguards its assets. The system of internal control is based on procedures designed to ensure conformity with the Funds’ Financial Regulations, Internal Regulations and decisions of the respective governing bodies.

The Director is assisted by a Management Team, comprising the Deputy Director/Head of the Finance and Administration Department, the Head of the External Relations and Conference Department, the Head of the Claims Department and the IT/Office Manager. In the event that the Director was unable to assume his functions, the members of the Management Team, in the order set out above, would take on the responsibilities of the Director.

In addition to the permanent staff of the Secretariat, the Funds use external consultants to provide advice on legal and technical matters, as well as on other matters relating to the management of the Funds, where necessary. Also, in connection with a number of major incidents, the Funds and the shipowner’s third-party liability insurer have jointly established local claims offices to provide more efficient handling of claims and to assist claimants.

The Secretariat is based within the same building as the International Maritime Organization in London, United Kingdom. The relationship between the Host State and the IOPC Funds is governed by a Headquarters Agreement between the Government of the United Kingdom and the IOPC Funds. The Agreement sets out the privileges and immunities of the IOPC Funds, of delegates to meetings and of staff members.

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ADMINISTRATION

JOINT SECRETARIAT EXPENSES

The joint administrative expenses (excluding the external audit fees which are paid directly by each of the Funds) for the Secretariat are set out below.

<table>
<thead>
<tr>
<th>Joint Secretariat expenditure</th>
<th>2020 unaudited</th>
<th>2019 audited</th>
<th>2018 audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditure</td>
<td>£4,335,315</td>
<td>£4,935,783</td>
<td>£4,936,433</td>
</tr>
<tr>
<td>Budget</td>
<td>£4,905,731</td>
<td>£4,932,377</td>
<td>£4,936,433</td>
</tr>
<tr>
<td>Expenditure as % of budget</td>
<td>92%</td>
<td>92%</td>
<td>92%</td>
</tr>
<tr>
<td>External audit fees</td>
<td>£36,000</td>
<td>£36,000</td>
<td>£36,000</td>
</tr>
<tr>
<td>1992 Fund</td>
<td>£53,600</td>
<td>£33,200</td>
<td>£34,200</td>
</tr>
<tr>
<td>Supplementary Fund</td>
<td>£4,900</td>
<td>£3,200</td>
<td>£3,200</td>
</tr>
<tr>
<td>Management fees received by 1992 Fund from Supplementary Fund</td>
<td>£38,000</td>
<td>£38,000</td>
<td>£38,000</td>
</tr>
</tbody>
</table>

Commentary on the joint Secretariat expenditure is provided in Annex I of the 1992 Fund’s Financial Statements, which can be found in the 2019 Financial Review publications available on the Publications page of the Funds’ website. Further details relating to the financial administration of the organisations and key figures for 2020 are provided under the Financial Review section of this Annual Report (pages 43–47).

AUDIT BODY

The joint Audit Body, established by the IOPC Funds’ governing bodies, normally meets in person three times a year to review the adequacy and effectiveness of the organisations. During 2020, the Audit Body discharged its duties by holding remote meetings. The Audit Body looks at the key issues of management and financial systems, financial reporting, internal controls, operational procedures and risk management, and it reviews the organisations’ Financial Statements. It also considers all relevant reports by the External Auditor.

NEW AUDIT BODY

The following six members were elected by the governing bodies in December 2020 for a period of three years:

- Mrs Birgit Sølling Olsen (Denmark) (Chair)
- Mr Vatsalya Saxena (India) (Vice-Chair)
- Mr José Luis Herrera Vaca (Mexico)
- Dr Hideo Osuga (Japan)
- Mr Arnold Rondeau (Canada)
- Ms Beate Grosskurth (Marshall Islands)

The three current members of the Joint Investment Advisory Body are (left to right): Ms Beate Grosskurth, Mr Brian Turner and Mr Alan Moore.

OUTGOING AUDIT BODY

The Audit Body, consisting of (left to right) Mr Eugene Ngango Ebandjo (Cameroon), Mr. José Luis Herrera Vaca (Mexico), Mr Makoto Harunari (Japan) (Chair), Mrs Birgit Sølling Olsen (Denmark) (Vice-Chair), Mr Vatsalya Saxena (India) and Mr. Michael Knight (external expert), served the IOPC Funds from October 2017 until the expiration of its term of office in December 2020. In addition to their core tasks, this Audit Body also focused on how the Funds could address the issues arising from and the risks relating to incidents involving insurers who are not members of the International Group of P&I Associations; this work is still ongoing and will be taken forward by the new Audit Body.

EXTERNAL AUDITOR

An External Auditor is appointed by the 1992 Fund Assembly and Supplementary Fund Assembly every four years. The current IOPC Funds’ External Auditor is BDO International (BDO), who were first appointed by the 1992 Fund Assembly and reappointed in October 2019 for a further four-year term, i.e. the financial years 2020–2023 inclusive. BDO report on the audit of the Financial Statements of the 1992 Fund and Supplementary Fund at each regular session of the 1992 Fund and Supplementary Fund Assemblies (see Financial Review section, pages 43–47).

RISK MANAGEMENT

The Secretariat has a full risk management system in place, which is regularly reviewed and updated. In consultation with the Audit Body and the External Auditor, the risks are categorised either as operational risks or institutional risks. Operational risks have five further subcategories, namely: finance/contributions, governance/management, compensation, safety/security and communication/publications (including the website). These identified risks and any corresponding mitigation measures which are put in place are continuously monitored to ensure a robust risk management system is maintained.

INVESTMENT ADVISORY BODY

The joint Investment Advisory Body (JIB) established by the IOPC Funds’ governing bodies, advises the Director on procedures for investment and cash management controls. The JIB also reviews the IOPC Funds’ investments and foreign exchange requirements, to ensure that reasonable investment returns are achieved without compromising the safety of the IOPC Funds’ assets. The JIB normally meets four times a year with the Secretariat and in 2020 held remote meetings. It also meets with the Audit Body and External Auditor to share information and reports to the governing bodies at their regular sessions. The term of the JIB expired following the governing bodies’ regular sessions in December 2020. At these sessions two members of the JIB were reappointed for a further three-year term until 2023, however, one long-serving member, Mr Brian Turner, will be stepping down in 2022, when a suitable replacement will be sought.
COMPENSATION AND CLAIMS MANAGEMENT

The principal role of the IOPC Funds is to pay compensation to those who have suffered oil pollution damage in a Member State who cannot obtain full compensation for the pollution damage from the shipowner under the 1992 Civil Liability Convention (1992 CLC).

WHEN SHOULD CLAIMS BE SUBMITTED?
Claimants ultimately lose their right to compensation under the 1992 Fund Convention unless they bring court action against the 1992 Fund within three years of the date on which the damage occurred. The same time limit applies in respect of claims against the shipowner or their insurer under the 1992 CLC. Although damage may occur some time after an incident takes place, in both cases court action must in any event be brought within six years of the date of the incident.

HOW CAN CLAIMS BE SUBMITTED?
Claims should be presented clearly and with sufficient information and supporting documentation to enable the amount of the damage to be assessed. Each item of a claim must be substantiated by an invoice or other relevant supporting documentation, such as work sheets, explanatory notes, accounts and photographs. In the event of an incident, the process for claim submission will be explained and specific customised claim forms and facilities, including an online claims submission system, will normally be made available to claimants via the IOPC Funds’ website (www.iopcfunds.org).

WHAT TYPE OF CLAIMS ARE ADMISSIBLE?
To be entitled to compensation, the pollution damage must result in an actual and quantifiable economic loss. The claimants must be able to show the amount of their loss or damage by producing accounting records or other appropriate evidence.

An oil pollution incident can generally give rise to claims for five types of pollution damage:

1. Property damage
2. Costs for clean-up operations at sea and on shore
3. Economic losses in the tourism sector
4. Environmental costs for reinstate the environment
5. Costs for economic losses incurred by commercial fishing, aquaculture and direct fishery costs

HOW ARE CLAIMS SETTLED?
The IOPC Funds endeavor to pay claims as promptly as possible and normally make provisional payments of compensation to mitigate undue financial hardship to victims of pollution incidents. However, for incidents involving larger claims or where a specific claim gives rise to a question of principle which has not previously been decided by the governing bodies, the Director needs approval from the relevant governing body of the Fund in question. In most cases, claims are settled out of court.

If the total amount of the established claims exceeds the total amount of compensation available, the 1992 Fund may have to restrict compensation payments to a percentage of the established losses to ensure that all claimants are given equal treatment. The level of payments will increase at a later stage if the uncertainty about the total amount of the established losses is reduced. In Supplementary Fund Member States, in practically all cases, it should be possible from the outset to pay compensation for pollution damage at 100% of the amount of damage agreed between the Fund and the claimant.
INCIDENTS INVOLVING THE 1992 FUND

Since their establishment in October 1978, the IOPC Funds have been involved in over 150 incidents. Details of all incidents, and in many cases a full case study, including latest developments, can be found under the Incidents section of the IOPC Funds’ website. A summary of key developments in a number of cases during 2020 and the position taken by the governing bodies in respect of claims is set out here.

ON GOING INCIDENTS

BOW JUBAIL
(NETHERLANDS, JUNE 2018)

Pollution damage claims submitted in this case may be over USD 50 million, however, it is not clear whether the IOPC Funds will be liable to pay compensation in this incident.

In 2018 the shipowner argued before the Rotterdam District Court that the incident was covered under Article 1.8 of the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001 (Bunkers Convention 2001). However, in November that year the Court decided that the shipowner had not proved that the tanker did not contain residues of persistent oil at the time of the incident and that, therefore, the Bow Jubail qualified as a ship as per Article 1(1) of the 1992 Civil Liability Convention (1992 CLC).

The shipowner appealed to the Court of Appeal in The Hague but in October 2020, the Court upheld the decision of the Rotterdam District Court. The shipowner appealed (filed for cassation) against the judgment to the Supreme Court of the Netherlands on several grounds, mainly on the undue burden of proof imposed on the shipowner.

At its December 2020 session, the 1992 Fund Executive Committee agreed that the 1992 Fund should apply to join the shipowner in the appeal proceedings in the Supreme Court in order to request clarification from the Court on the question of the legal test to decide whether there were residues on board the Bow Jubail. However, it is the decision of the Supreme Court as to whether to allow the 1992 Fund to join the proceedings.

The three-year time-bar period for this incident expired in September 2020. In June 2020, the 1992 Fund contacted those claimants that had not settled their claims and recommended for them to commence legal actions against the 1992 Fund to protect their rights to compensation and avoid their claims becoming time-barred.

It was reported to the December 2020 session of the 1992 Fund Executive Committee that, in total, the 1992 Fund had received 421 claims amounting to EUR 88.58 million and USD 175 000 and had made compensation payments totalling some EUR 14.66 million in respect of this incident.

The 1992 Fund had been served with legal proceedings filed at the Piraeus Court of First Instance by three clean-up contractors for the balance of their unpaid claims amounting to EUR 30.26 million, EUR 24.74 million and EUR 8.99 million respectively.

Proceedings against the 1992 Fund were also filed by 78 fisherfolk, claiming EUR 2.18 million. During 2020, 63 further claims in the tourism, fisheries and clean-up sectors were filed against the 1992 Fund in order to protect their rights to compensation before the expiration of the time-bar period. Similarly, the Greek State also served the 1992 Fund with legal proceedings.

A Claims Submission Office was established in Piraeus, Greece in December 2017 to assist claimants with their claims relating to this incident. It remained open for three years and closed on 31 December 2020.

Several investigations into the cause of the incident have been carried out: one of them concluded that the incident occurred as a result of an explosion. A separate investigation, for the Public Prosecutor, concluded that the sinking had been caused by the opening of the seawater ballast valves which could only have done from on board the vessel. It considered that the accident was attributed to the deliberate and negligent action of the shipowner and other parties including representatives of the salvor/one of the clean-up contracting companies.

The 1992 Fund’s Greek lawyers have advised that the exercise of the right to claim compensation under the 1992 Civil Liability Convention (1992 CLC) and 1992 Fund Convention, by a party that had intentionally caused the pollution in order to benefit from the right to claim compensation, would be considered an abuse by the Greek courts under the provisions of Greek legislation. However, the lawyers have advised that the burden of proof would rest upon the 1992 Fund to establish its responsibility for the pollution. If, however, the claimant was eventually condemned by a criminal court to pay compensation, such a sentence could be considered an abuse because the claimant could not be held responsible for any further advance payments to the representatives of the salvors/one of the clean-up contracting companies.

AGIA ZONI II
(GREECE, SEPTEMBER 2017)

<table>
<thead>
<tr>
<th>Ship</th>
<th>Agia Zoni II</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of incident</td>
<td>10/9/2017</td>
</tr>
<tr>
<td>Place of incident</td>
<td>Saronic Gulf, Greece</td>
</tr>
<tr>
<td>Cause of incident</td>
<td>Sinking — circumstances under investigation</td>
</tr>
<tr>
<td>Quantity of oil spilled</td>
<td>Estimated to be in the region of 500 tonnes</td>
</tr>
<tr>
<td>Area affected</td>
<td>3–4 km of the coastline of Salamina Island and 20–25 km of the coastline south of Piraeus Port and Athens, Saronic Gulf, Greece</td>
</tr>
<tr>
<td>Flag State of ship</td>
<td>Greece</td>
</tr>
<tr>
<td>Gross tonnage</td>
<td>1 597 GT</td>
</tr>
<tr>
<td>P&amp;I Insurer</td>
<td>Lodestar Marine Limited</td>
</tr>
</tbody>
</table>

Compensation paid by 1992 Fund as at 31/12/20

EUR 14 660 000

The 1992 Fund had been served with proceedings relating to this incident. The Greek State also served the 1992 Fund with legal proceedings. A Claims Submission Office was established in Piraeus, Greece in December 2017 to assist claimants to pursue their claims relating to this incident. It remained open for three years and closed on 31 December 2020.

Several investigations into the cause of the incident have been carried out: one of them concluded that the incident occurred as a result of an explosion. A separate investigation, for the Public Prosecutor, concluded that the sinking had been caused by the opening of the seawater ballast valves which could only have done from on board the vessel. It considered that the accident was attributed to the deliberate and negligent action of the shipowner and other parties including representatives of the salvor/one of the clean-up contracting companies.

The 1992 Fund’s Greek lawyers have advised that the exercise of the right to claim compensation under the 1992 Civil Liability Convention (1992 CLC) and 1992 Fund Convention, by a party that had intentionally caused the pollution in order to benefit from the right to claim compensation, would be considered an abuse by the Greek courts under the provisions of Greek legislation. However, the lawyers have advised that the burden of proof would rest upon the 1992 Fund to establish its responsibility for the pollution. If, however, the claimant was eventually condemned by a criminal court to pay compensation, such a sentence could be considered an abuse because the claimant could not be held responsible for any further advance payments to the representatives of the salvors/one of the clean-up contracting companies.
**PRESTIGE**

**SPAIN, NOVEMBER 2002**

The Prestige is one of the largest and most well-known cases involving the IOPC Funds. Whilst the 1992 Fund completed payments on the vast majority of admissible claims several years ago, long-running legal proceedings have meant that it has not been possible to finalise all payments and close this incident. However, significant developments did take place in 2020. The Court in La Coruña had issued an order on the distribution of the amount deposited in Court by the 1992 Fund and the amount corresponding to the limitation fund. Following this, during 2020, the Spanish Court made payments totalling EUR 61 537 619 to claimants in the Spanish legal proceedings, including the Spanish and French States. The Spanish State, who had advanced compensation to victims in Spain, received EUR 40 740 852 from the Court. The French State, who had carried out clean-up operations on the French coast after the spill, received EUR 9 268 952.

Concerning the legal action of the 1992 Fund against the classification society American Bureau of Shipping (ABS), a case management hearing took place in January 2020, at which both ABS and the 1992 Fund had argued the issue of sovereign immunity together with the other admissibility arguments raised by ABS. ABS are planning on challenging the question of sovereign immunity up to the level of the Court of Cassation. If the Fund’s action against ABS is considered admissible by the Court, the 1992 Fund will have to prove that ABS was negligent in the way it carried out its work in respect of the classification of the vessel. Currently, the 1992 Fund’s lawyer is working together with the French Government’s lawyers to consider how to proceed with their respective actions against ABS.

**HEBEI SPIRIT**

**REPUBLIC OF KOREA, DECEMBER 2007**

The Hebei Spirit incident resulted in over 128 000 claims for compensation, the highest ever number received by the IOPC Funds in respect of one incident. Following the excellent cooperation between the Government of the Republic of Korea, the ship’s insurer, Assuranceforeningen Skuld (Gjensidig) (Skuld Club), and the IOPC Funds, all admissible claims for this incident have been finalised by either mediation or judgment and a total of KRW 432.9 billion has been awarded.

All legal proceedings related to the incident were finalised in September 2019. In July 2020, the 1992 Fund made a payment to the Skuld Club for an outstanding balance of KRW 3.4 billion (£2.3 million) relating to the overpayment of compensation by the Club. The Club has now therefore been reimbursed in full.

Due to the global COVID-19 pandemic, the meeting planned between the Secretariat, the Skuld Club and the Government of the Republic of Korea, on the lessons learnt from the incident was postponed until travel restrictions ease.

**KRW 182 242 088 000**

**TRIDENT STAR**

**MALAYSIA, AUGUST 2016**

Claims for pollution damage arising from the incident exceed the 1992 CLC limit applicable to the Trident Star. Therefore, the 1992 Fund is liable to pay compensation in respect of this incident and the 1992 Fund Executive Committee has authorised the Director to do so. However, the amounts paid by the 1992 Fund are recoverable from the shipowner’s insurer, the Shipowners’ Club, under the Small Tanker Oil Pollution Indemnification Agreement (STOPA) 2006. The 1992 Fund commenced making payments in respect of this incident in 2020. Claims have been settled at USD 7.5 million of which the Fund has paid USD 561 695. The Fund received the corresponding reimbursement from the Shipowners’ Club shortly after paying the compensation. Claims for pollution damage arising from the incident were €2.3 million relating to the overpayment of compensation by the Club. The Club has now therefore been reimbursed in full.

Due to the global COVID-19 pandemic, the meeting planned between the Secretariat, the Skuld Club and the Government of the Republic of Korea, on the lessons learnt from the incident was postponed until travel restrictions ease.

**SHIP**

<table>
<thead>
<tr>
<th>Prestige</th>
<th>Trident Star</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of incident</td>
<td>24/8/2016</td>
</tr>
<tr>
<td>Place of incident</td>
<td>Malaysia</td>
</tr>
<tr>
<td>Cause of incident</td>
<td>Overflow</td>
</tr>
<tr>
<td>Quantity of spill</td>
<td>Unconfirmed</td>
</tr>
<tr>
<td>Flag State of ship</td>
<td>Malaysia</td>
</tr>
<tr>
<td>P&amp;I Insurer</td>
<td>The Shipowners’ Mutual Protection and Indemnity Association (Luxembourg)</td>
</tr>
</tbody>
</table>

**Compensation paid by 1992 Fund as at 31/12/20**

| KRW 182 242 088 000 | EUR 147.9 million |

**NON-IOPC FUNDS INCIDENTS**

**MT NEW DIAMOND**

**(SRI LANKA, SEPTEMBER 2020)**

The IOPC Funds was in contact with the Sri Lankan authorities in September 2020 in relation to the MT New Diamond, an oil tanker carrying approximately 270 000 metric tons of crude oil that had caught fire and drifted off the eastern coast of Sri Lanka. The Secretariat closely monitored developments and fortunately a major oil spill was prevented. Although the IOPC Funds were not involved on this occasion, it was nevertheless important that strong lines of communication were in place with the affected Member State from the outset.

**FSO SAFER**

**(YEMEN)**

During 2020, the Secretariat participated in meetings with an IMO Task Force established by the Secretary General of IMO to provide recommendations to prevent an oil spill from the FSO Safer, a floating storage and offloading unit located off the coast of the Republic of Yemen. An estimated quantity of 150 000 metric tons of crude oil remains on board. Yemen is not a Member State of the 1992 Fund, however, the FSO Safer constitutes a threat of pollution to the countries which border the Red Sea. It is of great concern that of those eight States with coastlines at risk of this or other incidents, only two (Djibouti and Israel) are Party to the 1992 Fund Convention.

**INCIDENTS INVOLVING THE SUPPLEMENTARY FUND**

As at 31 December 2020, there have been no incidents involving, or likely to involve, the Supplementary Fund.
Governments of Member States are obliged to report to the Secretariat the quantities of oil received by the contributors in their State each year. These quantities are used to calculate a levy per tonne of oil received in order to provide the contributions required to administer the Funds and to pay claims approved by the governing bodies. The formulas used to calculate the levy per tonne and the individual invoices for contributors are shown below. A system of deferred invoicing exists whereby the total amount to be levied in contributions for a given calendar year is fixed by the governing bodies, however, they may also decide that only a part of that amount should be invoiced for payment by 1 March. The Director is authorised to invoice the remaining amount, or a part thereof, later in the year if it is required to meet the Funds’ financial obligations.

Contributions to the General Funds are calculated using the quantities of contributing oil received in the preceding calendar year by each contributor. Contributions to Major Claims Funds and Claims Funds are calculated using the quantities of contributing oil received in the year preceding the year in which the incident occurred. Only contributors in States that were a Member of the relevant IOPC Fund at the time of the incident pay contributions to Major Claims Funds.

**OIL REPORTING AND CONTRIBUTIONS**

The IOPC Funds are financed by contributions levied on those entities in our Member States that receive more than 150,000 tonnes of contributing oil per calendar year, after carriage by sea. We refer to such entities as ‘contributors’ and they pay contributions directly to the Funds (see Financial Review).

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The Secretariat sends a request to all Member States for the submission of oil reports for the preceding calendar year.</td>
</tr>
<tr>
<td>2</td>
<td>Member States submit oil reports by 30 April.</td>
</tr>
<tr>
<td>3</td>
<td>The governing bodies decide whether and how much to levy to the General Funds and Major Claims Funds.</td>
</tr>
<tr>
<td>4</td>
<td>The Secretariat issues invoices to contributors in accordance with the decisions of the governing bodies.</td>
</tr>
<tr>
<td>5</td>
<td>Contributors pay their contributions, except in the case of deferred levies.</td>
</tr>
</tbody>
</table>

**CALCULATION OF CONTRIBUTIONS**

<table>
<thead>
<tr>
<th>Calculation</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total contribution levied (£)</td>
<td>TOTAL CONTRIBUTION LEVIED (£)</td>
</tr>
<tr>
<td>Total of contributing oil received in all Member States (metric tonnes)</td>
<td>TOTAL OF CONTRIBUTING OIL RECEIVED IN ALL MEMBER STATES (METRIC TONNES)</td>
</tr>
<tr>
<td>Amount per tonne of oil received (£ per t)</td>
<td>AMOUNT PER TONNE OF OIL RECEIVED (£ PER T)</td>
</tr>
<tr>
<td>Quantity of oil received by each contributor</td>
<td>Q. WHAT IS CONTRIBUTING OIL?</td>
</tr>
<tr>
<td>THE AMOUNT PER TONNE</td>
<td>A. Contributing oil is crude or heavy fuel oil that has been transported by tanker to or within a Member State, before being discharged into a port or terminal installation. The IOPC Funds uses the total volume of oil transported in this manner to calculate contributions and allocate the costs of compensation, claims-related expenditure and administrative expenses between the contributors in Member States.</td>
</tr>
<tr>
<td>Amount to be paid by that contributor in pounds sterling (£)</td>
<td>Q. DOES A COMPANY THAT RECEIVES OIL TEMPORARILY IN A STORAGE FACILITY FOR OTHERS HAVE TO PAY?</td>
</tr>
<tr>
<td>Q. IF NOBODY IN A MEMBER STATE RECEIVES OIL, WHAT HAPPENS?</td>
<td></td>
</tr>
<tr>
<td>A. If there are no entities in a 1992 Fund Member State that receive more than 150,000 tonnes of contributing oil in a year, the State must still inform the Fund by submitting a nil report. The State will have financial protection for any tanker spills but would not have to make any contributions. If that State is also a Member of the Supplementary Fund, the State will pay contributions as if it had received one million tonnes.</td>
<td></td>
</tr>
</tbody>
</table>
**1992 Fund**

At the December 2020 sessions of the governing bodies, the 1992 Fund Assembly decided not to levy 2020 contributions to the General Fund. The 1992 Fund Assembly also decided not to levy 2020 contributions to the Prestige, Hebei Spirit, Alfa I, Nesa P3, or Agia Zoni II Major Claims Funds.

In relation to the General Fund, given the difficulties arising from the COVID-19 pandemic, it was decided not to levy 2020 contributions for payment by 1 March 2021. It was instead decided that the General Fund would take out a loan of €3.9 million from the Abbe Spirit Major Claims Fund until March 2022. The loan will be repaid with contributions levied in 2021 and due for payment by 1 March 2022.

The 10 largest oil receivers in the 1992 Fund are shown in the pie chart below.

---

**Contributing oil received in the calendar year 2019 in the territories of States which were Members of the 1992 Fund on 31 December 2020**

<table>
<thead>
<tr>
<th>MEMBER STATE</th>
<th>CONTRIBUTING OIL RECEIVED IN 2019 (TONNES)</th>
<th>% OF TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>India</strong></td>
<td>227 919 250</td>
<td>15.15%</td>
</tr>
<tr>
<td><strong>Japan</strong></td>
<td>177 230 463</td>
<td>11.78%</td>
</tr>
<tr>
<td><strong>Republic of Korea</strong></td>
<td>143 947 981</td>
<td>9.57%</td>
</tr>
<tr>
<td><strong>Netherlands (Kingdom of the Netherlands)</strong>&lt;sup&gt;1&lt;/sup&gt;,&lt;sup&gt;2&lt;/sup&gt;</td>
<td>110 511 447</td>
<td>7.35%</td>
</tr>
<tr>
<td><strong>Italy</strong></td>
<td>108 142 752</td>
<td>7.19%</td>
</tr>
<tr>
<td><strong>Singapore</strong></td>
<td>89 925 894</td>
<td>5.98%</td>
</tr>
<tr>
<td><strong>Spain</strong></td>
<td>75 650 406</td>
<td>5.03%</td>
</tr>
<tr>
<td><strong>France</strong></td>
<td>62 983 836</td>
<td>3.52%</td>
</tr>
<tr>
<td><strong>United Kingdom</strong></td>
<td>62 514 932</td>
<td>3.49%</td>
</tr>
<tr>
<td><strong>Canada</strong></td>
<td>47 459 732</td>
<td>3.16%</td>
</tr>
<tr>
<td><strong>Thailand</strong></td>
<td>47 295 307</td>
<td>3.14%</td>
</tr>
<tr>
<td><strong>Turkey</strong></td>
<td>35 079 826</td>
<td>2.33%</td>
</tr>
<tr>
<td><strong>Greece</strong></td>
<td>29 106 365</td>
<td>1.94%</td>
</tr>
<tr>
<td><strong>United Arab Emirates</strong></td>
<td>25 493 363</td>
<td>1.69%</td>
</tr>
<tr>
<td><strong>Germany</strong></td>
<td>25 468 654</td>
<td>1.69%</td>
</tr>
<tr>
<td><strong>Malaysia</strong></td>
<td>22 688 783</td>
<td>1.51%</td>
</tr>
<tr>
<td><strong>Sweden</strong></td>
<td>20 191 408</td>
<td>1.34%</td>
</tr>
<tr>
<td><strong>Australia</strong></td>
<td>20 178 341</td>
<td>1.34%</td>
</tr>
<tr>
<td><strong>South Africa</strong></td>
<td>19 303 578</td>
<td>1.28%</td>
</tr>
<tr>
<td><strong>Mexico</strong></td>
<td>17 832 654</td>
<td>1.19%</td>
</tr>
<tr>
<td><strong>Israel</strong></td>
<td>14 183 255</td>
<td>0.94%</td>
</tr>
<tr>
<td><strong>Poland</strong></td>
<td>13 442 942</td>
<td>0.89%</td>
</tr>
<tr>
<td><strong>Finland</strong></td>
<td>12 792 055</td>
<td>0.85%</td>
</tr>
<tr>
<td><strong>Portugal</strong></td>
<td>12 258 049</td>
<td>0.81%</td>
</tr>
<tr>
<td><strong>Lithuania</strong></td>
<td>9 541 616</td>
<td>0.63%</td>
</tr>
<tr>
<td><strong>Norway</strong></td>
<td>9 341 898</td>
<td>0.62%</td>
</tr>
<tr>
<td><strong>Philippines</strong></td>
<td>8 999 629</td>
<td>0.60%</td>
</tr>
<tr>
<td><strong>Bulgaria</strong></td>
<td>7 001 144</td>
<td>0.47%</td>
</tr>
<tr>
<td><strong>Denmark</strong></td>
<td>6 765 886</td>
<td>0.45%</td>
</tr>
<tr>
<td><strong>China</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td>6 431 509</td>
<td>0.43%</td>
</tr>
<tr>
<td><strong>Croatia</strong></td>
<td>6 181 465</td>
<td>0.41%</td>
</tr>
<tr>
<td><strong>New Zealand</strong></td>
<td>5 805 715</td>
<td>0.39%</td>
</tr>
<tr>
<td><strong>Belgium</strong></td>
<td>5 524 595</td>
<td>0.37%</td>
</tr>
<tr>
<td><strong>Bahamas</strong></td>
<td>4 889 573</td>
<td>0.33%</td>
</tr>
<tr>
<td><strong>Côte d’Ivoire</strong></td>
<td>3 034 787</td>
<td>0.20%</td>
</tr>
<tr>
<td><strong>Estonia</strong></td>
<td>3 012 518</td>
<td>0.20%</td>
</tr>
<tr>
<td><strong>Ireland</strong></td>
<td>2 553 887</td>
<td>0.17%</td>
</tr>
<tr>
<td><strong>Angola</strong></td>
<td>2 426 396</td>
<td>0.16%</td>
</tr>
<tr>
<td><strong>Malta</strong></td>
<td>2 354 549</td>
<td>0.16%</td>
</tr>
<tr>
<td><strong>Ecuador</strong></td>
<td>2 249 169</td>
<td>0.15%</td>
</tr>
<tr>
<td><strong>Jamaica</strong></td>
<td>2 167 785</td>
<td>0.14%</td>
</tr>
<tr>
<td><strong>Sri Lanka</strong></td>
<td>2 086 559</td>
<td>0.14%</td>
</tr>
<tr>
<td><strong>Uruguay</strong></td>
<td>1 994 581</td>
<td>0.13%</td>
</tr>
<tr>
<td><strong>Brunei Darussalam</strong></td>
<td>1 717 643</td>
<td>0.11%</td>
</tr>
<tr>
<td><strong>Colombia</strong></td>
<td>1 196 704</td>
<td>0.08%</td>
</tr>
<tr>
<td><strong>Papua New Guinea</strong></td>
<td>1 143 556</td>
<td>0.08%</td>
</tr>
<tr>
<td><strong>Mauritius</strong></td>
<td>1 020 497</td>
<td>0.07%</td>
</tr>
<tr>
<td><strong>Qatar</strong></td>
<td>914 581</td>
<td>0.06%</td>
</tr>
<tr>
<td><strong>Cyprus</strong></td>
<td>773 602</td>
<td>0.05%</td>
</tr>
<tr>
<td><strong>Morocco</strong></td>
<td>739 616</td>
<td>0.05%</td>
</tr>
<tr>
<td><strong>Ghana</strong></td>
<td>518 509</td>
<td>0.03%</td>
</tr>
<tr>
<td><strong>Algeria</strong></td>
<td>420 102</td>
<td>0.03%</td>
</tr>
<tr>
<td><strong>Aruba (Kingdom of the Netherlands)</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td>375 589</td>
<td>0.02%</td>
</tr>
<tr>
<td><strong>United Republic of Tanzania</strong></td>
<td>367 390</td>
<td>0.02%</td>
</tr>
<tr>
<td><strong>Tunisia</strong></td>
<td>304 702</td>
<td>0.02%</td>
</tr>
<tr>
<td><strong>Barbados</strong></td>
<td>200 638</td>
<td>0.01%</td>
</tr>
<tr>
<td><strong>Curaçao (Kingdom of the Netherlands)</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td>179 719</td>
<td>0.01%</td>
</tr>
<tr>
<td><strong>Madagascar</strong></td>
<td>177 822</td>
<td>0.01%</td>
</tr>
<tr>
<td><strong>Guyana</strong></td>
<td>163 287</td>
<td>0.01%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1 504 178 391</td>
<td>100%</td>
</tr>
</tbody>
</table>

<sup>1</sup> The Netherlands, Aruba, Curaçao and Sint Maarten are autonomous partners within the Kingdom of the Netherlands, a status which obliges them to submit reports of contributions to the 1992 Fund directly. The Supplementary Fund has not been extended to Aruba, Curaçao or Sint Maarten.

<sup>2</sup> A partial submission of 2019 reports was received from the Netherlands by 31 December 2020.

<sup>3</sup> The 1992 Fund Convention applies to the Hong Kong Special Administrative Region only.

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**CONTRIBUTING OIL RECEIVED IN 1992 FUND MEMBER STATES IN 2019 (AS REPORTED BY 31 DECEMBER 2020)**

- **India** 15%
- **Japan** 12%
- **Republic of Korea** 10%
- **Kingdom of the Netherlands** 7%
- **Italy** 7%
- **Singapore** 6%
- **Spain** 5%
- **France** 4%
- **United Kingdom** 3%
- **Canada** 3%
- **Others** 28%

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India is the largest contributor to the 1992 Fund, reporting more than 15% of the total contributing oil in 2019. Contributions in India paid more than $2.1 million to the 1992 Fund in 2020, including $670 000 of longstanding overdue contributions.

No contributing oil was received during 2019 for the territories in the following 40 Member States: Antigua and Barbuda, Cabo Verde, Cambodia, Comoros, Congo (the), Cook Islands, Dominica, Fiji, Gabon, Georgia, Grenada, Hungary, Iceland, Kenya, Laos, Luxembourg, Maldives, Marshall Islands, Monaco, Montenegro, Mozambique, Namibia, Nicaragua, Nigeria, Nieuw, Palau, Russian Federation, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Samoa, Serbia, Seychelles, Sierra Leone, Slovakia, Slovenia, Switzerland, Tonga, Trinidad and Tobago, Tuvalu, Vanuatu.

As at 31 December 2020, oil reports for the calendar year 2019 had not been received for the territories of 21 Member States: Albania, Argentina, Bahrain, Belize, Benin, Cameroon, Djibouti, Dominican Republic, Gambia (the), Guinea, Iran (Islamic Republic of), Kiribati, Liberia, Mauritania, Oman, Panama, Saint Lucia, Senegal, Sint Maarten (Kingdom of the Netherlands), Syrian Arab Republic, Venezuela (Bolivarian Republic of).

The vast majority of Member States submit their reports to the IOPC Funds. However, there are four Member States with outstanding reports for five or more years:
- Dominican Republic (21 years);
- Saint Lucia (12 years);
- Syrian Arab Republic (11 years); and
- Albania (7 years).
SUPPLEMENTARY FUND

The Supplementary Fund is financed in the same way as the 1992 Fund, however, a minimum annual tonnage of one million tonnes applies to Member States. When contributions are levied to the Supplementary Fund, Member States that received no contributing oil are required to pay contributions as if they had received one million tonnes of oil. If the Member State has contributors that received less than one million tonnes of contributing oil in total, the State is required to pay contributions to make up the difference between the amount of oil the contributors received, and one million tonnes. In 2019, eight States received less than the one million tonne and would have been invoiced if contributions had been levied.

At the December 2020 sessions of the governing bodies, the Supplementary Fund Assembly decided not to levy 2020 contributions, since there had been no incidents involving the Supplementary Fund.

CONTRIBUTING OIL RECEIVED IN SUPPLEMENTARY FUND MEMBER STATES IN 2019 (AS REPORTED BY 31 DECEMBER 2020)

<table>
<thead>
<tr>
<th>MEMBER STATE</th>
<th>CONTRIBUTING OIL RECEIVED IN 2019 (TONNES)</th>
<th>% OF TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>177,230,463</td>
<td>17.84%</td>
</tr>
<tr>
<td>Republic of Korea</td>
<td>143,947,981</td>
<td>14.49%</td>
</tr>
<tr>
<td>Netherlands (Kingdom of the Netherlands)</td>
<td>110,511,447</td>
<td>11.12%</td>
</tr>
<tr>
<td>Italy</td>
<td>108,142,752</td>
<td>10.88%</td>
</tr>
<tr>
<td>Spain</td>
<td>78,650,406</td>
<td>7.61%</td>
</tr>
<tr>
<td>France</td>
<td>52,983,836</td>
<td>5.33%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>52,514,932</td>
<td>5.28%</td>
</tr>
<tr>
<td>Canada</td>
<td>47,459,732</td>
<td>4.78%</td>
</tr>
<tr>
<td>Turkey</td>
<td>35,079,826</td>
<td>3.53%</td>
</tr>
<tr>
<td>Greece</td>
<td>29,106,362</td>
<td>2.93%</td>
</tr>
<tr>
<td>Germany</td>
<td>25,468,654</td>
<td>2.56%</td>
</tr>
<tr>
<td>Sweden</td>
<td>20,191,408</td>
<td>2.03%</td>
</tr>
<tr>
<td>Australia</td>
<td>19,178,341</td>
<td>2.03%</td>
</tr>
<tr>
<td>Poland</td>
<td>13,442,942</td>
<td>1.35%</td>
</tr>
<tr>
<td>Finland</td>
<td>12,792,059</td>
<td>1.29%</td>
</tr>
<tr>
<td>Portugal</td>
<td>12,258,049</td>
<td>1.23%</td>
</tr>
<tr>
<td>Lithuania</td>
<td>9,541,616</td>
<td>0.96%</td>
</tr>
<tr>
<td>Norway</td>
<td>9,341,898</td>
<td>0.94%</td>
</tr>
<tr>
<td>Denmark</td>
<td>6,765,886</td>
<td>0.68%</td>
</tr>
<tr>
<td>Croatia</td>
<td>6,181,465</td>
<td>0.62%</td>
</tr>
<tr>
<td>New Zealand</td>
<td>5,805,715</td>
<td>0.58%</td>
</tr>
<tr>
<td>Belgium</td>
<td>5,524,595</td>
<td>0.56%</td>
</tr>
<tr>
<td>Estonia</td>
<td>3,012,518</td>
<td>0.30%</td>
</tr>
<tr>
<td>Ireland</td>
<td>2,553,887</td>
<td>0.26%</td>
</tr>
<tr>
<td>Monaco</td>
<td>1,000,000</td>
<td>0.10%</td>
</tr>
<tr>
<td>Barbados</td>
<td>1,000,000</td>
<td>0.10%</td>
</tr>
<tr>
<td>Congo</td>
<td>1,000,000</td>
<td>0.10%</td>
</tr>
<tr>
<td>Hungary</td>
<td>1,000,000</td>
<td>0.10%</td>
</tr>
<tr>
<td>Latvia</td>
<td>1,000,000</td>
<td>0.10%</td>
</tr>
<tr>
<td>Montenegro</td>
<td>1,000,000</td>
<td>0.10%</td>
</tr>
<tr>
<td>Slovakia</td>
<td>1,000,000</td>
<td>0.10%</td>
</tr>
<tr>
<td>Slovenia</td>
<td>1,000,000</td>
<td>0.10%</td>
</tr>
<tr>
<td>Total</td>
<td>993,686,769</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

This table includes oil received and oil deemed to have been received in Member States of the Supplementary Fund, for the purposes of calculating contributions.

Contributing oil received in the calendar year 2019 in the territories of States which were Members of the Supplementary Fund on 31 December 2020.

Q. HOW MUCH DOES IT COST TO BE A MEMBER OF THE 1992 FUND OR THE SUPPLEMENTARY FUND?

A. States do not incur any direct costs. Rather it is the oil receiving entities in States which are liable to pay contributions. There are no fixed fees to pay and the level of contributions varies each year, depending on the amounts of compensation and claims-related expenditure which the 1992 Fund or the Supplementary Fund has to pay. That depends on the incidents which have occurred. The annual administrative budget of the Secretariat is relatively small. The amount invoiced per tonne of contributing oil (the levy) is dependent on the budget requirements for that year and the total amount of oil received in the relevant calendar year.
EXTERNAL RELATIONS

The Secretariat of the IOPC Funds undertakes a range of activities aimed at strengthening the IOPC Funds’ relationships with Member States and other international, intergovernmental or non-governmental organisations.

WHAT WE DO

EXTERNAL RELATIONS

The Secretariat of the IOPC Funds undertakes a range of activities aimed at strengthening the IOPC Funds’ relationships with Member States and other international, intergovernmental or non-governmental organisations.

OUTREACH ACTIVITIES

Each year, the Secretariat organises or participates in events such as national and regional workshops or gives presentations to enhance understanding of the international liability and compensation regime, to assist with implementation of the Conventions at a national level and to assist potential claimants. Meetings are often held between the Secretariat and government authorities within Member States and can result in the resolution of longstanding issues such as the payment of outstanding contributions and submission of oil reports.

IOPC FUNDS’ SHORT COURSE

An annual week-long course which covers all aspects of the work of the IOPC Funds and the international liability and compensation regime in general and includes practical exercises allowing participants to study a theoretical incident and the subsequent claims submission process. Open to self-funded participants from 1992 Fund Member States, nominated directly by their government, the course is supported by IMO, the International Group, ITOPF, ICS and INTERTANKO, and often includes visits to a number of the supporting organisations’ offices and a guided tour of Lloyd’s of London.

INDUCTION COURSE

This is a half-day induction course aimed at providing delegates to IOPC Funds’ meetings with an insight into the functioning of the IOPC Funds and a better understanding of what exactly happens in the event of an oil spill.

MAIN ACTIVITIES IN 2020

Due to the global pandemic and resulting restrictions on international travel in 2020, several activities were unavoidably cancelled or postponed, including the IOPC Funds’ annual Short Course for nominated participants of 1992 Fund Member States and the induction course which is aimed at new delegates to meetings. However, the Secretariat was able to participate in a number of activities remotely, as outlined here, and has been developing tools and resources to ensure it can continue to deliver remote training and can actively engage with stakeholders online during 2021 and beyond.

14/02/2020
Tokyo, Japan
Presentation delivered at oil spill workshop organised by the Petroleum Association of Japan (PAJ) and funded by the Japanese Ministry of Economy, Trade and Industry.

19/02/2020
Brussels, Belgium
Presentation delivered jointly with IMO during European Shipping Week on why the 2010 HNS Convention is needed.

28/02/2020
London, United Kingdom
Informal lunch meeting for the UK-based representatives of States from the Africa region.

15/07/2020
Remote delivery
Presentation delivered in GI WACAF project webinar on oil spill preparedness and response.

Remote delivery
Remote legal assistance to Gambia, Liberia, Namibia and Nigeria in cooperation with the GI WACAF project.

27/10/2020
Remote delivery
Participation in MEDEXPOL 2020, organised to enhance regional cooperation in responding to marine oil and HNS pollution in the Mediterranean.

27/11/2020
Remote delivery
EMSA training on liability and compensation for Georgia.

OUTREACH ACTIVITIES DELIVERED SINCE 2016

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OUTREACH ACTIVITIES

Close cooperation with IMO Secretariat, particularly on progress of States towards ratification and implementation of relevant Conventions and delivery of various outreach activities to widen awareness of the international liability and compensation regime.

Assisting other organisations with the delivery of training and assistance to States.

Working closely with P&I Clubs to ensure good cooperation in the event of an incident.

OUTREACH ACTIVITIES

Assisting other organisations with the delivery of training and assistance to States.

Working closely with P&I Clubs to ensure good cooperation in the event of an incident.

Working with maritime universities and departments to share knowledge and explain the framework behind and the purpose of the IOPC Funds.

ONGOING COOPERATION

International Oil Pollution Compensation Funds | Annual Report 2020 | Operational Review
OTHER SERVICES

WEBSITE

• On the main website you’ll find:
  - general information on the work and structure of the organisations;
  - incident data and detailed case studies;
  - Member State data and profiles;
  - the latest news and upcoming events;
  - the full set of publications to download or request in hard copy on request;
  - access to the online reporting system (ORS).

• Under the Document Services section you’ll find:
  - meeting documents, both for the latest meeting and all previous meetings of the Funds’ governing bodies dating back to 1978;
  - the online meeting registration system;
  - resolutions of both the 1992 and Supplementary Funds and the previous 1971 Fund;
  - circulars;
  - the option to register for an account, providing direct notifications of meeting documents and information, regular updates of news and events from the IOPC Funds, and the facility to more easily register multiple meeting attendees and to submit credentials online.

SHORT INTRODUCTORY VIDEO

First published in May 2018 and updated in 2019 and 2020, this short video is intended to provide a general introduction for those not familiar with the organisation and its work and brings at the basic information from reporting of contributing oil to the claims admissibility criteria together in one place. It brings all the basic information from reporting of contributing oil to the claims admissibility criteria together in one place. It is available in English, French and Spanish and can be found under the About Us section of the website.

PUBLICATIONS

The following publications are available to download from the website or in hard copy upon request.

General

- Overview Brochure
- Annual Report
- Text of Conventions
- 1992 Fund Financial Review
- Supplementary Fund Financial Review

Claims information pack

- Claims Manual
- Guidelines for presenting claims for clean up and preventive measures
- Guidelines for presenting claims for damages to the coastal and marine environment
- Guidelines for presenting claims for injuries to oil report personnel
- Guidelines for presenting claims for injuries to oil report personnel
- Guidelines for presenting claims for environmental damage
- Example Claim Form

Guidance for Member States

- Measures to facilitate the claims handling process
- Management of fisheries closures and restrictions following an oil spill
- Consideration of the definition of ‘crude’

NEW DELEGATE OF THE IOPC FUNDS?
HERE ARE SOME TOP TIPS:

WHAT WE DO IN BRIEF

- Brochure, Annual Report, explanatory note
- IOPC Funds’ website
- Introductory video

THE IOPC FUNDS IN DEPTH

- Text of Conventions, Guidelines for Member States
- Document Services section

FIND OUT MORE

- Contact the Secretariat to arrange a meeting: externalrelations@iopcfunds.org
- Sign up to the IOPC Funds Induction Course

STAY INFORMED

- Follow us on Twitter
- Follow us on LinkedIn
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WANT TO LEARN MORE?
CONTACT US TO ORGANISE A VISIT, EVENT OR ACTIVITY WITH THE SECRETARIAT. WE’RE HERE TO HELP.

NON-MEMBER STATE

MEMBER STATE

CONTRIBUTOR

RESPONSE ORGANISATION

UNIVERSITY OR SCHOOL

What do you need?

- Information on the benefits of joining the IOPC Fund and how to join
- Assistance relating to implementing the Anglophone version of the Conventions into national legislation and reporting
- IOPC Funds’ work
- Understanding your role as a member of the response organisation
- An organisation with sector-specific or environmental interests
- Further engagement and information sharing

How can we help?

- By providing advice, expertise, data and assistance with applications to become a Member State
- By setting up and running training for Member States
- By setting up and running training for observing states
- By promoting the IOPC Funds’ work
- By regularly promoting information and developments
- By facilitating discussions on common issues
- By regularly sharing information and developments
- By setting up and running training for observing states
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- By promoting the IOPC Funds’ work

Who should you contact?

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The International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea, 2010 (2010 HNS Convention) aims to ensure adequate, prompt and effective compensation for personal injury, damage to property, costs of clean-up and reinstatement measures and economic losses resulting from the maritime transport of hazardous and noxious substances (HNS).

**LEGAL FRAMEWORK**

Hazardous and noxious substances covered by the HNS Convention are defined by references to various IMO Conventions and Codes. These include:

- **Oils**
- **Liquefied Gases**
- **Solid bulk materials**

**WHAT ARE HNS?**

A two-tier system in ONE SINGLE TREATY

SHIPOWNER is STRICTLY LIABLE to pay the first tier of compensation

The shipowner’s LIABILITY VARIES for bulk HNS and packaged HNS

COMPULSORY INSURANCE for all ships to cover their liability and claimants have a right of direct action against the insurer

A Fund (the HNS Fund) generated from levies on cargo receivers in all Member States provides the second tier of compensation

The general account’s contributing cargo volume is at least 40 MILLION tonnes

**ENTRY INTO FORCE CONDITIONS**

The 2010 HNS Convention will enter into force 18 months after the date on which:

- There are 4 contracting STATES each with no less than 2 MILLION units of gross tonnage
- The general account’s contributing cargo volume is at least 40 MILLION tonnes

**STATUS OF THE CONVENTION**

Contracting States as at 1 February 2021:
- Canada
- Kingdom of Denmark
- Kingdom of Norway
- Republic of Turkey
- South Africa

Since four of those States have reported more than 2 million units of gross tonnage (Canada, Denmark, Norway and Turkey), one of the conditions for entry into force of the 2010 HNS Convention is already fulfilled.

A number of other States have indicated on several occasions that they are working towards implementation of the Convention in 2020 with a view to ratifying or acceding to it during the course of 2021 or 2022.

**THE 2010 HNS CONVENTION**

The International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea, 2010 (2010 HNS Convention) aims to ensure adequate, prompt and effective compensation for personal injury, damage to property, costs of clean-up and reinstatement measures and economic losses resulting from the maritime transport of hazardous and noxious substances (HNS).
The 1992 Fund Secretariat was assigned to carry out the administrative tasks necessary to set up the HNS Fund on the occasion of the international conference, held in April 2010, which adopted a Protocol to the HNS Convention (2010 HNS Protocol). In close cooperation with the IMO Secretariat, the 1992 Fund Secretariat has since continued to prepare for the entry into force of the Convention.

ASSISTANCE

Given the relative complexity of the contributing cargo reporting obligations, IMO, with support from the IOPC Funds’ Secretariat when possible, offers assistance to new Contracting States in verifying contributing cargo data when required. A number of States who are making progress towards implementation of the HNS Convention, have provided updates on the steps they are taking to the IOPC Funds, including Belgium, France, Germany, the Netherlands and Republic of Korea. Details of their progress was reported to the 1992 Fund Assembly at its December 2020 session and the Secretariat reiterated its availability to assist States with any implementation issues at that session.

The IOPC Funds usually participate in various workshops on the liability and compensation regime for oil spills which enable the Secretariat to also deliver presentations on the importance of introducing a similar system for HNS. However, whilst the Director did take part in February 2020 in an event dedicated to the HNS Convention, organised by the European Community Shipowners’ Associations (ECSA), during the European Shipping Week in Brussels, Belgium, most other activities planned in 2020 were postponed until further notice as a consequence of the COVID-19 pandemic.

PREPARATIONS FOR ENTRY INTO FORCE

As it continues to advance its work on preparing for the entry into force of the Convention, in 2020 the Secretariat approached a number of organisations with the relevant expertise relating to the handling of claims for compensation, namely Cedre, the International Chamber of Shipping (ICS), the International Group, ITOPF and IMO to discuss the handling of claims relating to HNS incidents. A first meeting took place remotely in November 2020 and further meetings of the group are planned in 2021 to work on a draft HNS Claims manual.

WORK AHEAD

The Secretariat will continue to work together with IMO and other key stakeholders to facilitate the entry into force of the HNS Convention and prepare for the establishment of the HNS Fund and will regularly report on its progress to the 1992 Fund Assembly and the IMO Legal Committee.
STRUCTURE OF THE GOVERNING BODIES

1992 FUND ASSEMBLY (Administrative Council if no quorum)

Composition: All 1992 Fund Member States
Chair: Gaute Sivertsen (Norway)*
First Vice-Chair: Tomostuka Fujita (Japan)*
Second Vice-Chair: Aureyn Aguirre O. Sunza (Mexico)*
Frequency of meetings: Normally twice a year. One regular session, every October/November. Additional extraordinary session in March/April, if required.
Role: Supreme organ of Fund deciding on: budget; contribution; adoption of internal and financial regulations, policy, etc.

1992 FUND EXECUTIVE COMMITTEE

Composition: 16 elected Member States, 7 from among the 11 largest oil receiving States and 8 from the other Member States, taking into account an equitable geographical distribution.
Chair: Gillian Grant (Canada)*
Vice-Chair: Faresamelingabul Selvarasah (Malaysia)*
Frequency of meetings: Normally twice a year.
Role: Subsidiary body established by Assembly to take policy decisions on the admissibility of claims.

SUPPLEMENTARY FUND ASSEMBLY (Administrative Council if no quorum)

Composition: All Supplementary Fund Member States
Chair: Sungbum Kim (Republic of Korea)*
First Vice-Chair: Andrew Angel (United Kingdom)*
Second Vice-Chair: Emre Dincer (Turkey)*
Frequency of meetings: Often twice a year. One regular session, every October/November. Additional extraordinary session in March/April, if required.
Role: Supreme organ of Fund deciding on: budget; contribution; adoption of internal and financial regulations, policy, etc.

WORKING GROUPS

Working Groups are set up from time to time to consider specific areas of interest to the 1992 Fund. Details of the Working Groups established over the years and the issues they focused on are provided on the website.

OBSERVERS TO SESSIONS OF THE GOVERNING BODIES

RELATIONS WITH NON-MEMBER STATES

States considering according to the 1992 Fund Convention may apply for observer status with the 1992 Fund. Such States are invited to attend and participate in IOPC Funds’ meetings as an observer in order to gain a clearer picture of the benefits of becoming a 1992 Fund Member State and to become acquainted with the way in which Member States make decisions regarding the handling of incidents, the payment of claims and running of the 1992 Fund Secretariat. States which are invited to send observers to meetings of the Assembly of the 1992 Fund automatically also have observer status with the Supplementary Fund.

RELATIONS WITH INTERNATIONAL ORGANISATIONS

The IOPC Funds value the input of intergovernmental and non-governmental organisations, as this greatly assists with the proper functioning of the international compensation system. Organisations with a particular interest in the work of the IOPC Funds may apply for observer status with the 1992 Fund. Such organisations are invited to attend and participate in IOPC Funds meetings as an observer.

INTERGOVERNMENTAL ORGANISATIONS GRANTED OBSERVER STATUS AS AT 31 DECEMBER 2020

- Baltic Marine Environment Protection Commission – Helsinki Commissions (HELCOM)
- Central Commission for the Navigation of the Rhine (CCNR)
- European Commission
- International Institute for the Unification of Private Law (UNIDROIT)
- International Maritime Organization (IMO)
- Maritime Organisation of West and Central Africa (MOWCA)
- Regional Marine Pollution Emergency Response Centre for the Mediterranean Sea (REAPMED)
- United Nations (UN)
- United Nations Environment Programme (UNEP)

NON-GOVERNMENTAL ORGANISATIONS GRANTED OBSERVER STATUS AS AT 31 DECEMBER 2020

- AMCO
- BIMCO
- Comité Maritime International (CMI)
- Conference of Peripheral Maritime Regions (CPMR)
- European Chemical Industry Council (CEFIC)
- InterAmerican Institute of Maritime Law (IADM)
- International Association of Classification Societies Ltd (IACS)
- INTERTANKO
- International Chamber of Shipping (ICS)
- International Group of P&I Associations
- International Salvage Union (ISU)
- International Spill Control Organization (ISCO)
- International Union of Marine Insurers (IUMI)
- ITOPF
- Oil Companies International Marine Forum (OCIMF)
- Sea Alarm (Sea Alarm)
- World LPG Association (WLPGA)
- World Seabird Group (WSG)
- World Wildlife Fund (WWF)


- Argentina
- Bangladesh
- Belgium
- Benin
- Brazil
- Bolivia (Plurinational State of)
- Botswana
- Brazil
- Bulgaria
- Burkina Faso
- Burundi
- Cameroon
- Canada
- Cape Verde
- Central African Republic
- Chad
- Chile
- China
- Colombia
- Comoros
- Congo
- Congo, The Democratic Republic of
- Costa Rica
- Croatia
- Cuba
- Cyprus
- Czechia
- Denmark
- Djibouti
- Dominica
- Dominican Republic
- Ecuador
- Egypt
- El Salvador
- Estonia
- Ethiopia
- Fiji
- Finland
- France
- French Guiana
- Gabon
- Georgia
- Germany
- Ghana
- Greece
- Grenada
- Guatemala
- Guinea-Bissau
- Guyana
- Haiti
- Honduras
- Hungary
- Iceland
- India
- Indonesia
- Iran
- Iraq
- Ireland
- Israel
- Italy
- Jamaica
- Japan
- Jordan
- Kazakhstan
- Kenya
- Korea, Democratic People’s Republic of
- Korea, Republic of
- Kuwait
- Kyrgyzstan
- Lebanon
- Lesotho
- Liberia
- Libya
- Madagascar
- Malawi
- Malaysia
- Maldives
- Mali
- Malta
- Mauritania
- Mauritius
- Mexico
- Micronesia, Federated States of
- Moldova
- Monaco
- Mongolia
- Montenegro
- Morocco
- Mozambique
- Myanmar
- Namibia
- Nauru
- Nepal
- Netherlands
- New Zealand
- Nicaragua
- Niger
- Nigeria
- Norway
- Oman
- Pakistan
- Panama
- Paraguay
- Peru
- Philippines
- Poland
- Portugal
- Puerto Rico
- Qatar
- Romania
- Russian Federation
- Rwanda
- Saint Kitts and Nevis
- Saint Lucia
- Saint Vincent and the Grenadines
- Samoa
- Sao Tome and Principe
- Saudi Arabia
- Senegal
- Serbia
- Seychelles
- Sierra Leone
- Singapore
- Slovakia
- Slovenia
- South Africa
- Spain
- Sri Lanka
- Sudan
- Suriname
- Sweden
- Switzerland
- Syrian Arab Republic
- Tajikistan
- Tanzania
- Thailand
- Timor-Leste
- Togo
- Tonga
- Trinidad and Tobago
- Tunisia
- Turkey
- Turkmenistan
- Tuvalu
- Ukraine
- United Arab Emirates
- United Kingdom
- United States
- Uruguay
- Uzbekistan
- Vanuatu
- Venezuela
- Viet Nam
- Yemen
- Zambia
- Zimbabwe

* In the position of Chair or Vice-Chair at the end of 2020
The flexibility and cooperation of Member States contributed significantly to the successful delivery of the remote meeting. Whilst the remote meeting meant a limited timetable and reduced interaction between delegations, it nevertheless brought other benefits – in particular an increase in participation from States who are not always able to attend meetings in London.

**SESSIONS OF THE GOVERNING BODIES IN 2020**

The governing bodies were due to convene extraordinary sessions in March 2020 and regular sessions in November 2020, however, following the COVID-19 pandemic, the March meeting was cancelled and the November meeting was postponed to December. Due to the travel restrictions and ongoing closure of the IMO building as a result of the pandemic, for the first time ever, the IOPC Funds’ sessions of the governing bodies were held remotely. This required the temporary suspension of, or amendment to, a number of the governing bodies’ Rules of Procedure and meeting practices which were proposed by the Director in advance via meeting documents. These temporary changes were considered and agreed by Member States at the opening of the sessions.

**ATTENDANCE AT THE OCTOBER 2019 SESSIONS**

**>210 DELEGATES**
- 193 FUND MEMBER STATES IN ATTENDENCE
- 25 SUPPLEMENTARY FUND MEMBER STATES
- 15 OBSERVER ORGANISATIONS
- 4 OBSERVER STATES

**ATTENDANCE AT THE DECEMBER 2020 SESSIONS**

**>350 ATTENDEES**
- 269 FUND MEMBER STATES IN ATTENDENCE
- 26 SUPPLEMENTARY FUND MEMBER STATES
- 16 OBSERVER ORGANISATIONS
- 1 OBSERVER STATE
SESSIONS OF THE GOVERNING BODIES IN 2020

The IOPC Funds’ governing bodies held a virtual meeting from 2 to 4 December 2020 and following the virtual meeting, the sessions remained open for a short correspondence period until 17 December 2020.

1992 FUND ASSEMBLY (25TH SESSION)

In order to facilitate the first remote meeting of the 1992 Fund Assembly and ensure that a regular session could be convened in 2021, the Assembly decided to amend and temporarily suspend certain Rules of Procedure which presuppose in-person meetings. The Assembly noted that these decisions on procedures were not intended to provide an interpretation of the Conventions or the Rules of Procedure of the governing bodies or to set a precedent for the methods of work of the IOPC Funds, but simply to facilitate remote sessions in these exceptional circumstances under the prevailing COVID-19 pandemic, and for the governing bodies to be able to take the decisions required to ensure the IOPC Funds could continue to function properly in 2021.

The Assembly went on to note developments reported by the Secretariat and take decisions in respect of a number of items.

In particular, the Assembly took a number of key decisions relating to the administration of the organisation, approving the Financial Statements for 2019 and adopting an administrative budget for the 1992 Fund of €4,708,287 for 2021. All decisions relating to the levying of contributions are set out on pages 24-26.

The joint Audit Body updated the Assembly on their ongoing review of the risks arising from incidents involving the IOPC Funds where ships are insured by insurers that are not members of the International Group of P&I Associations. Details of potential measures to deal with the five issues identified were considered.

The term of office of the members of the joint Audit Body was due to expire at the December 2020 meeting. Having received the final report of the sixth Audit Body, the Assembly thanked the outgoing members for their hard work and considered the seven candidates nominated by Member States for the Audit Body’s next three-year term. Since the session was being held remotely, the Assembly decided exceptionally to elect the members using a secure online voting tool organised by a third-party provider. Heads of delegation voted online and following the results of the vote, the 1992 Fund Assembly elected six members and decided to appoint Mrs Birgit Sølling Olsen as Chair and Mr Vatsalya Saxena as Vice-Chair. For full list of members see pages 14-15.

The joint Investment Advisory Body presented its report and confirmed that it was closely monitoring and regularly reviewing the Funds’ investments, taking into account the impact of the pandemic on the global financial markets.

The delegation of India submitted a document proposing a review of the 1992 CLC and 1992 Fund Convention which suggested a number of amendments to the Conventions. A preliminary discussion followed, and it was agreed that it would not be possible to have a meaningful discussion with regard to the various points raised in the document or the proposal to establish a Working Group given the remote setting and duration of that particular meeting. A full discussion was, therefore, postponed until the 1992 Fund Assembly could meet in person to ensure that a thorough discussion between Member States could take place.

The Assembly approved the wording of the revised 1992 Fund’s Headquarters Agreement and authorised the Director to sign the Agreement.

The Assembly also approved the wording of the revised Supplementary Fund’s Headquarters Agreement and authorised the Director to sign the Agreement.

SUPPLEMENTARY FUND ASSEMBLY (17TH SESSION)

The Supplementary Fund Assembly participated in the debates and endorsed or took note of decisions taken by the 1992 Fund Assembly in respect of a number of items also relevant to the Supplementary Fund, in particular, with regard to the temporary suspension of rules of procedure to facilitate remote sessions, and the Audit Body’s review of the risks arising from incidents involving the IOPC Funds where the ships were insured by insurers that were not members of the International Group. It approved the Financial Statements of the Supplementary Fund for 2019 and adopted an administrative budget for 2021 of €50,400. A management fee of £36,000 payable to the 1992 Fund for the financial year 2021 was also agreed upon by the Assembly in December 2020.

The Assembly also approved the wording of the revised Supplementary Fund’s Headquarters Agreement and authorised the Director to sign the Agreement.
With regard to the Agia Zoni II incident, it was reported in December that the 1992 Fund had received 421 claims amounting to EUR 98.68 million and USD 175,000 and had made compensation payments totaling EUR 14.66 million.

In respect of the Bow Jubail incident, the Committee noted that the Court of Appeal in The Hague had delivered its judgment on 27 October 2020, confirming the decision of the Rotterdam District Court holding that the shipowner had not sufficiently substantiated that the tanks of the Bow Jubail did not contain residues of persistent oil carried in bulk at the time of the incident, as provided for in Article I(1) of the 1992 CLC and therefore, the Bunkers Convention 2001, and the Convention on Limitation of Liability for Maritime Claims 1976, as modified by the 1996 Protocol (LLMC 76/96), would not apply.

The shipowner had appealed (filed for cassation) against the judgment to the Supreme Court of the Netherlands on several grounds, mainly on the undue burden of proof imposed on the shipowner. The 1992 Fund could apply to join the shipowner in the proceedings before the Supreme Court, but it would be for the Supreme Court to decide whether to allow the 1992 Fund to join the proceedings. After a discussion, in which many delegations intervened, the 1992 Fund Executive Committee agreed that the 1992 Fund should apply to join the proceedings in the Supreme Court in order to request clarification from the Court on the question of the legal test to decide whether there were residues on board the Bow Jubail.

In addition to the four incidents above, the Committee also noted that the Secretariat had provided information in respect of the Solar I (Philippines, August 2006), Redferm (Nigeria, March 2009), Haekup Pacific (Republic of Korea, April 2010), Alfa I (Greece, March 2012), Nesa R3 (Oman, June 2013), Tridavit Star (Malaysia, August 2016) and Nathan E. Stewart (Canada, October 2016) incidents.
FINANCIAL HIGHLIGHTS FOR 2020 - 1992 FUND

Revenue and Expenditure figures rounded and subject to audit by the External Auditor (prepared under IPSAS – accrual based accounting)

<table>
<thead>
<tr>
<th>REVENUE</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONTRIBUTIONS DUE IN 2020:</td>
<td></td>
</tr>
<tr>
<td>GENERAL FUND</td>
<td>2 300 000</td>
</tr>
<tr>
<td>AGIA ZONI II MAJOR CLAIMS FUND</td>
<td>5 000 000</td>
</tr>
<tr>
<td>NESA R3 MAJOR CLAIMS FUND</td>
<td>3 600 000</td>
</tr>
<tr>
<td>OTHER REVENUE:</td>
<td></td>
</tr>
<tr>
<td>INTEREST ON INVESTMENTS</td>
<td>205 000</td>
</tr>
<tr>
<td>MANAGEMENT FEE PAYABLE BY SUPPLEMENTARY FUND</td>
<td>38 000</td>
</tr>
<tr>
<td>TOTAL REVENUE</td>
<td>11 143 000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ADMINISTRATIVE COSTS</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>JOINT SECRETARIAT:</td>
<td></td>
</tr>
<tr>
<td>BUDGET (EXCLUDING EXTERNAL AUDITOR’S FEES FOR RESPECTIVE IOPC FUNDS)</td>
<td>4 875 731</td>
</tr>
<tr>
<td>EXPENDITURE (EXCLUDING EXTERNAL AUDITOR’S FEES FOR RESPECTIVE IOPC FUNDS)</td>
<td>3 934 205</td>
</tr>
<tr>
<td>EXTERNAL AUDITOR’S FEES IN RESPECT OF 1992 FUND</td>
<td>53 600</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CLAIMS EXPENDITURE 2020</th>
<th>£</th>
<th>£</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>INCIDENT</td>
<td>COMPENSATION</td>
<td>CLAIMS-RELATED EXPENDITURE</td>
<td>TOTAL</td>
</tr>
<tr>
<td>PRESTIGE</td>
<td>-</td>
<td>66 208</td>
<td>66 208</td>
</tr>
<tr>
<td>HEBEI SPIRIT*</td>
<td>2 275 799</td>
<td>42 930</td>
<td>2 318 729</td>
</tr>
<tr>
<td>NESA R3</td>
<td>-</td>
<td>27 389</td>
<td>27 389</td>
</tr>
<tr>
<td>ALFA I</td>
<td>-</td>
<td>77 869</td>
<td>77 869</td>
</tr>
<tr>
<td>AGIA ZONI II</td>
<td>2 798 207</td>
<td>823 658</td>
<td>3 621 865</td>
</tr>
<tr>
<td>OTHER INCIDENTS**</td>
<td>447 353</td>
<td>126 491</td>
<td>573 844</td>
</tr>
<tr>
<td>TOTAL CLAIMS EXPENDITURE</td>
<td>5 521 359</td>
<td>1 164 545</td>
<td>6 685 904</td>
</tr>
</tbody>
</table>

* Including interim reimbursements from the P&I Clubs for joint costs of £4 475 for HEBEI Spirit MCF
** Compensation paid in respect of Trident Star incident reimbursed by the P&I Clubs under STOPIA 2006.
The first SDR 4 million (pound sterling equivalent) for all incidents is paid from the General Fund and covers compensation and claims-related expenditure. Separate Major Claims Funds are established for incidents for which the total amounts payable exceed these amounts. These cumulative incident costs include both General Fund and Major Claims Fund expenditure. All compensation is paid in the currency of the incident – see page 18 for more details of each incident.

### Summary of Major Claims Funds

<table>
<thead>
<tr>
<th>CUMULATIVE INCIDENT EXPENDITURE TO 31/12/2020 (UNAUDITED)</th>
<th>Prestige</th>
<th>Hebei Spirit</th>
<th>Alfa I</th>
<th>Agia Zoni II</th>
<th>Nesa R3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation paid 31/12/2019</td>
<td>106 621 900</td>
<td>117 299 805</td>
<td>10 856 126</td>
<td>10 109 180</td>
<td>6 793 880</td>
</tr>
<tr>
<td>Compensation paid 2020</td>
<td>-</td>
<td>2 275 799</td>
<td>-</td>
<td>2 796 297</td>
<td>-</td>
</tr>
<tr>
<td>Total compensation</td>
<td>108 916 299</td>
<td>119 575 504</td>
<td>10 856 126</td>
<td>12 907 477</td>
<td>6 793 880</td>
</tr>
<tr>
<td>Claims-related expenditure paid 31/12/2019</td>
<td>24 499 275</td>
<td>37 201 486</td>
<td>579 531</td>
<td>2 995 445</td>
<td>385 351</td>
</tr>
<tr>
<td>Claims-related expenditure paid 2020</td>
<td>66 208</td>
<td>42 930</td>
<td>77 869</td>
<td>823 658</td>
<td>27 389</td>
</tr>
<tr>
<td>Total Claims-related expenditure paid</td>
<td>24 565 483</td>
<td>37 244 416</td>
<td>657 400</td>
<td>3 779 101</td>
<td>412 740</td>
</tr>
<tr>
<td>Total expenditure (cash basis, including SDR 4 million paid for each incident from General Fund)</td>
<td>131 187 383</td>
<td>156 820 020</td>
<td>11 513 526</td>
<td>16 686 488</td>
<td>7 116 540</td>
</tr>
</tbody>
</table>

### Major Claims Fund Balances

<table>
<thead>
<tr>
<th>MAJOR CLAIMS FUND BALANCES</th>
<th>Prestige</th>
<th>Hebei Spirit</th>
<th>Alfa I</th>
<th>Agia Zoni II</th>
<th>Nesa R3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund balance 31/12/2019 (accrual basis - see Financial Statements for more details)</td>
<td>596 378</td>
<td>5 655 035</td>
<td>453 113</td>
<td>24 717 039</td>
<td>(3 182 979)</td>
</tr>
<tr>
<td>Provision for compensation at 31/12/2019, added back</td>
<td>662 321</td>
<td>2 254 939</td>
<td>-</td>
<td>2 265 328</td>
<td>-</td>
</tr>
<tr>
<td>Fund balance 31/12/2019 (adjusted cash basis)</td>
<td>1 278 699</td>
<td>7 909 974</td>
<td>453 113</td>
<td>26 982 367</td>
<td>(3 182 979)</td>
</tr>
</tbody>
</table>

Major Claims Funds are accounted for on an accruals basis and as such they recognise interest earned on investments, provision for compensation, exchange gains and losses, and other assets and liabilities. Full balance sheets for each Major Claims Fund are published in the Financial Statements.

<table>
<thead>
<tr>
<th>CONTRIBUTIONS LEVIED TO MAJOR CLAIMS FUNDS</th>
<th>Prestige</th>
<th>Hebei Spirit</th>
<th>Alfa I</th>
<th>Agia Zoni II</th>
<th>Nesa R3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions levied, due by March 2020 or before</td>
<td>115 000 000</td>
<td>131 500 000</td>
<td>8 075 000</td>
<td>41 000 000</td>
<td>3 600 000</td>
</tr>
<tr>
<td>2020 levy, due 1 March 2021</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total contributions levied or approved</td>
<td>115 000 000</td>
<td>131 500 000</td>
<td>8 075 000</td>
<td>41 000 000</td>
<td>3 600 000</td>
</tr>
</tbody>
</table>

Upon the establishment of a Major Claims Fund, the governing bodies can decide to levy contributions (see page 22 for more information on contributions). Levies are usually approved at the October/November meetings, invoices are issued to contributors in November and payment of contributions is due the following March, except in the case of deferred levies.
ACKNOWLEDGEMENTS

Photographs

Cover, inside cover and pages 3, 5, 8, 11, 15, 19, 23, 26, 33, 43 and 49
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