



International Oil Pollution Compensation Funds

Annual Report 2020





International
Oil Pollution
Compensation
Funds
Annual Report

20
20

INTRODUCTION

Foreword	02
Director's Review	04
Funds' Overview	06
Legal Framework	08

OPERATIONAL REVIEW	11
Secretariat	12
Administration	14
Compensation and Claims Management	16
Incidents Involving the IOPC Funds	18
Oil Reporting and Contributions	22
External Relations	28
The 2010 HNS Convention	32

GOVERNING BODIES	35
Structure of the Governing Bodies	36
Observers to sessions of the Governing Bodies	37
Participation at Meetings	38
Sessions of the Governing Bodies in 2020	39

FINANCIAL REVIEW	43
Financial Administration	44
Financial Highlights for 2020	45
Summary of Major Claims Funds	47

ACKNOWLEDGEMENTS	48
------------------	----

FOREWORD

At the start of 2020, we could never have predicted the challenges that we would all face during the year ahead due to the global pandemic. Despite those challenges, it was essential that the important work of the IOPC Funds was able to continue. Thankfully, the organisation was able to adapt to the exceptional circumstances it was presented with and I am delighted to present the organisations' Annual Report for 2020.

The international restrictions on travel that were introduced and the closure of the IMO building in March made it impossible to proceed with the planned sessions of the governing bodies in the first quarter of 2020. With decisions to take before the end of the year, that were vital for the continued functioning of the organisation, in December the IOPC Funds held its regular sessions remotely for the first time ever. Thanks to the understanding and flexibility of delegations and the efforts of the Secretariat to ensure that both regulations and practical considerations were considered, the meeting was successful.

Although, regrettably, time did not allow for substantive discussions on some items during the meeting, the Director's Report to the meeting and the detailed information provided in the documents published certainly highlighted a number of positive developments in 2020.

Happily, the organisation welcomed two new Member States as the 1992 Fund Convention entered into force for both Guyana and the Gambia in 2020. The 1992 Fund also saw Nauru deposit an instrument of accession to the Convention in March 2020 and looks forward to welcoming Nauru as a Member State in 2021.

"Despite the inevitable impact that the pandemic must have had, almost 97% of the expected 2019 oil reports were submitted and over 97% of the contributions due for payment in 2020 were received."

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

70

1992 FUND MEMBER
STATES PARTICIPATED
IN THE DECEMBER
2020 MEETING

"In December the IOPC Funds successfully held its regular sessions remotely for the first time ever."



DIRECTOR'S REVIEW

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.

"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."

"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."



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.

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 and does not stop under any circumstances. The transport of goods by sea, including oil, has not ceased and the risk of oil spills has remained throughout. This is why it is important that the IOPC Funds are ready to respond in the event of a major incident.


José Maura
Director

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.




FUNDS' OVERVIEW

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.

IN OPERATION FOR >40 YEARS




Financed by contributions paid by entities within Member States that receive persistent oil after sea transport, the IOPC Funds have been compensating victims of oil pollution damage since 1978.

FUNDED BY OIL INDUSTRY, MANAGED BY GOVERNMENTS



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.


PROVIDING UNIFORM SYSTEM BASED ON INTERNATIONAL TREATIES



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.

UP TO USD 1 BILLION IN COMPENSATION AVAILABLE

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.



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.

EXPERT AND UNIQUELY EXPERIENCED TEAM READY TO HELP

150

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 £747 million in compensation. No incidents have occurred so far which have involved or are likely to involve the Supplementary Fund.

INVOLVED IN >150 INCIDENTS WORLDWIDE

- 32 MEMBER STATES OF THE SUPPLEMENTARY FUND**
- Australia
 - Barbados
 - Belgium
 - Canada
 - Congo (the)
 - Croatia
 - Denmark
 - Estonia
 - Finland
 - France
 - Germany
 - Greece
 - Hungary
 - Ireland
 - Italy
 - Japan
 - Latvia
 - Lithuania
 - Montenegro
 - Morocco
 - Netherlands
 - New Zealand
 - Norway
 - Poland
 - Portugal
 - Republic of Korea
 - Slovakia
 - Slovenia
 - Spain
 - Sweden
 - Turkey
 - United Kingdom

- 118 MEMBER STATES OF THE 1992 FUND**
- | | |
|----------------------------|------------------------------------|
| Albania | Malaysia |
| Algeria | Maldives |
| Angola | Malta |
| Antigua and Barbuda | Marshall Islands |
| Argentina | Mauritania |
| Australia | Mauritius |
| Bahamas | Mexico |
| Bahrain | Monaco |
| Barbados | Montenegro |
| Belgium | Morocco |
| Belize | Mozambique |
| Benin | Namibia |
| Brunei Darussalam | Netherlands |
| Bulgaria | Nauru (from 23/03/21) |
| Cabo Verde | New Zealand |
| Cambodia | Nicaragua |
| Cameroon | Nigeria |
| Canada | Niue |
| China* | Norway |
| Colombia | Oman |
| Comoros | Palau |
| Congo (the) | Panama |
| Cook Islands | Papua New Guinea |
| Côte d'Ivoire | Philippines |
| Croatia | Poland |
| Cyprus | Portugal |
| Denmark | Qatar |
| Djibouti | Republic of Korea |
| Dominica | Russian Federation |
| Dominican Republic | Saint Kitts and Nevis |
| Ecuador | Saint Lucia |
| Estonia | Saint Vincent and the Grenadines |
| Fiji | Samoa |
| Finland | Senegal |
| France | Serbia |
| Gabon | Seychelles |
| Gambia (the) | Sierra Leone |
| Georgia | Singapore |
| Germany | Slovakia |
| Ghana | Slovenia |
| Greece | South Africa |
| Grenada | Spain |
| Guinea | Sri Lanka |
| Guyana | Sweden |
| Hungary | Switzerland |
| Iceland | Syrian Arab Republic |
| India | Thailand |
| Iran (Islamic Republic of) | Tonga |
| Ireland | Trinidad and Tobago |
| Israel | Tunisia |
| Italy | Turkey |
| Jamaica | Tuvalu |
| Japan | United Arab Emirates |
| Kenya | United Kingdom |
| Kiribati | United Republic of Tanzania |
| Latvia | Uruguay |
| Liberia | Vanuatu |
| Lithuania | Venezuela (Bolivarian Republic of) |
| Luxembourg | |
| Madagascar | |

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.



>1 500 million
TONNES OF OIL TRANSPORTED BY SEA AND RECEIVED ANNUALLY IN 1992 FUND MEMBER STATES

- States Parties to the 1992 Fund Convention
- States Parties to the Supplementary Fund Protocol
- States Parties to the 1992 Civil Liability Convention
- States Parties to the 1969 Civil Liability Convention

LEGAL FRAMEWORK

The international liability and compensation regime is currently based on:

LAYER 1

- the International Convention on Civil Liability for Oil Pollution Damage, 1992 (1992 Civil Liability Convention or 1992 CLC)

LAYER 2

- the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, 1992 (1992 Fund Convention)

LAYER 3

- 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.

LAYER 1

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.

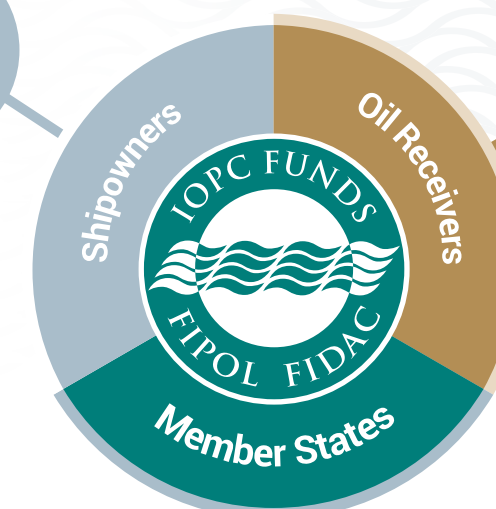


The first tier of compensation is paid by the shipowners' insurers under the 1992 CLC.



>290 entities contributed to the 1992 Fund in 2020, providing the second tier of compensation.

>130 were also liable to contribute to the Supplementary Fund, which can provide a third tier of compensation.



The Member States participate in IOPC Funds' meetings, deciding on compensation, policy matters and management of the organisations.

LAYER 3

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.

LAYER 2

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.

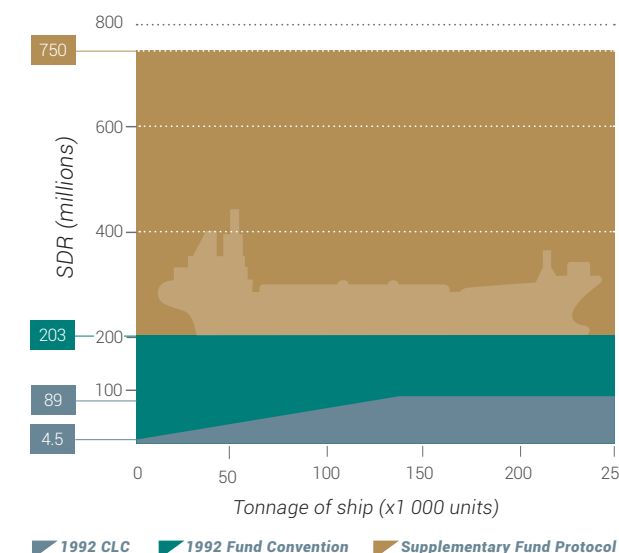
The 1992 Fund provides a second tier of compensation when the amount available under the 1992 CLC is insufficient (i.e. the damage exceeds the limit of the shipowner's liability) and also when the shipowner is exempt from liability or is financially incapable of meeting its obligations under the 1992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



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



LAYER 1

Ship not exceeding 5 000 units of gross tonnage

Ship above 5 000 units of gross tonnage

SDR 4 510 000 plus SDR 631 for each additional unit of tonnage up to a maximum of SDR 89 770 000

CLC LIMIT

MINIMUM SDR 4 510 000*

UP TO MAXIMUM OF SDR 89 770 000

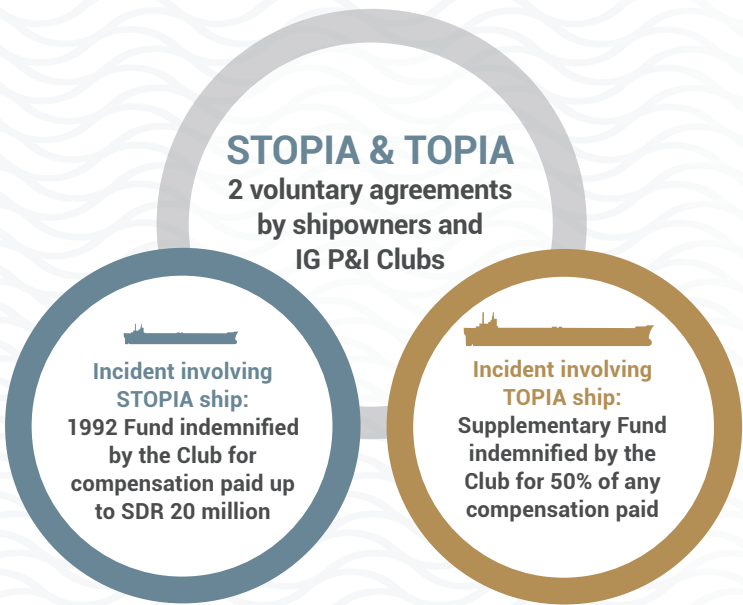
*The unit of account in the Conventions is the Special Drawing Right (SDR) as defined by the International Monetary Fund.

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.



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 denounce 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 Tomé and Príncipe



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 1992 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. Blain, 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.



OPERATIONAL REVIEW

12	Secretariat
14	Administration
16	Compensation and Claims Management
18	Incidents Involving the IOPC Funds
22	Oil Reporting and Contributions
28	External Relations
32	The 2010 HNS Convention

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.

IOPC FUNDS' SECRETARIAT AS OF FEBRUARY 2021

DIRECTOR'S OFFICE



José Maura
Director



María Basílico
Executive Assistant

Yuji Okugawa
Policy Officer, who will
join the Secretariat
during 2021

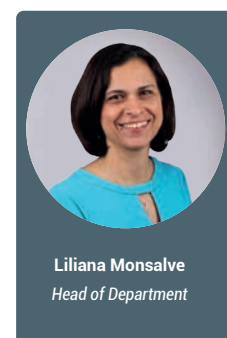
STAFF CHANGES

Mr Kensuke Kobayashi (Japan) resigned from his post of Legal Counsel effective 30 June 2020.

Following the departure of the Legal Counsel, the Director decided to create the position of Policy Officer within the Director's Office to provide expertise and be a key adviser on policy matters.

Mr Yuji Okugawa (Japan) has been offered the post and will be joining the Secretariat during 2021, when the Secretariat will be able to operate from its offices on a more permanent basis.

CLAIMS DEPARTMENT



Liliana Monsalve
Head of Department



Chiara Della Mea
Claims Manager



Mark Homan
Claims Manager



Ana Cuesta
Claims Manager



Chrystelle Collier
Claims Administrator

FINANCE & ADMINISTRATION DEPARTMENT



Ranjit Pillai
Deputy Director/
Head of Department



Robert Owen
IT/Office Manager



Julia Shaw
Human Resources
Manager



Claire Montgomery
Finance Manager



Stuart Colman
IT Officer



Elisabeth Galobardes
Finance Assistant



Kathy McBride
Finance Assistant



Marina Singh
Finance Assistant



Sarah Hayton
Oil Reporting Administrator



Paul Davis
IT/Office Administrator

EXTERNAL RELATIONS & CONFERENCE DEPARTMENT



Thomas Liebert
Head of Department



Victoria Turner
Information Officer



Julia Sükan del Río
External Relations &
Conference Coordinator



Sylvie Legidos
Translation Coordinator



María Alonso Romero
Associate Editor (Spanish)



Mariana Saúl
Associate Editor (Spanish)



Johana Lanzeray
Associate Editor (French)



Nadja Popović
External Relations &
Conference Assistant



Q. HOW CAN I APPLY FOR A POST WITH THE SECRETARIAT?

A. All vacancy notices are published on the website under the vacancies page of the Secretariat section and are usually announced on the home page. Full details of the requirements for a post and how to apply are provided there.



Q. DO YOU OFFER INTERNSHIPS?

A. No, unfortunately we do not. However, we do run an annual week-long self-funded Short Course covering the work of the IOPC Funds and the international liability and compensation regime in general. Participants must be nominated by 1992 Fund Member States.

Members of the Management Team

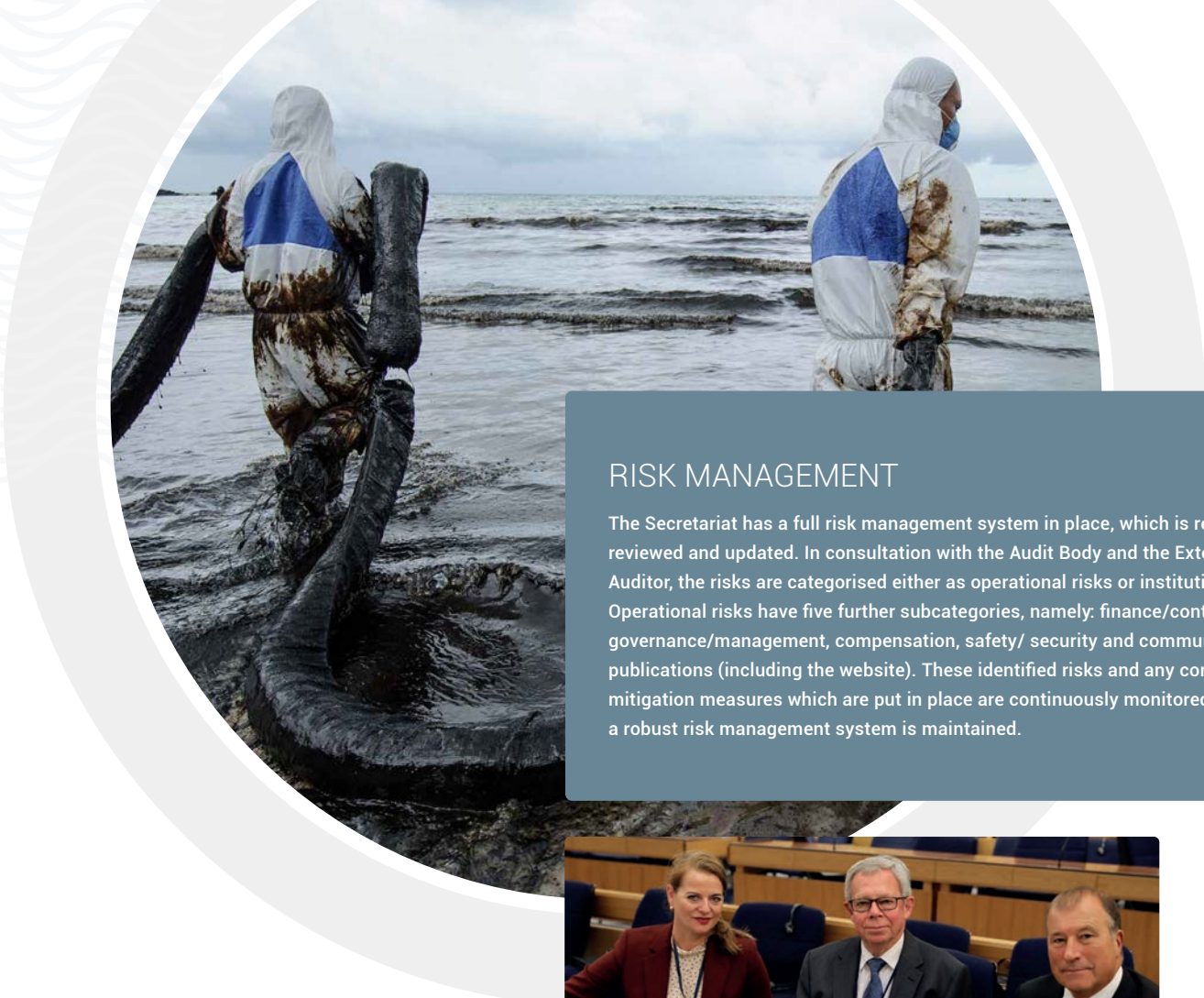
ADMINISTRATION

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.

Joint Secretariat expenditure	2020 unaudited £	2019 audited £	2018 audited £
Expenditure		4 235 316	4 065 757
Budget	4 875 731	4 692 577	4 536 433
Expenditure as % of budget		90%	90%
External audit fees			
1992 Fund	53 600	43 200	43 200
Supplementary Fund	4 400	3 200	3 200
Management fees received by 1992 Fund from Supplementary Fund	38 000	36 000	34 000

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).

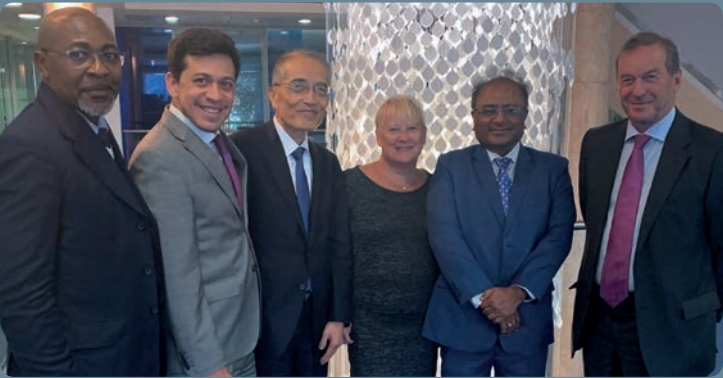


RISK MANAGEMENT

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.

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.



OUTGOING AUDIT BODY

The Audit Body, consisting of (left-right) Mr Eugène 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.

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 Alfred H.E. Popp, CM, Q.C.
(Canada)

Mr Arnold Rondeau
(France)

Dr Hideo Osuga
(Japan)

Captain Thomas F. Heinan
(Marshall Islands)

The tenure of Mr Michael Knight as external expert was also extended exceptionally for one year until 31 December 2021.



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

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 governing bodies in October 2015 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).

INVESTMENT ADVISORY BODY

The joint Investment Advisory Body (IAB), established by the IOPC Funds' governing bodies, advises the Director on procedures for investment and cash management controls. The IAB 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 IAB 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 IAB expired following the governing bodies' regular sessions in December 2020. At these sessions two members of the IAB 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).

THE PROCESS OF A CLAIM

WHO CAN CLAIM?

Claimants may be individuals, partnerships, companies, private organisations or public bodies, including States or local authorities.

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.

IS MY CLAIM ADMISSIBLE FOR COMPENSATION?

Before submitting a claim, make sure you can answer yes to the following questions:

- ✓ Have you already actually suffered the expense, loss or damage?
- ✓ Does the expense relate to measures taken following the incident which are reasonable and can be justified?
- ✓ Was the expense, loss or damage caused by contamination resulting from the spill?
- ✓ Can you reasonably link the cause of the expense, loss or damage covered by the claim to the contamination caused by the spill?
- ✓ Can you quantify the loss you have suffered?
- ✓ Can you prove the amount of your expense, loss or damage and supply appropriate documents or other evidence?

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:



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.

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).

HOW ARE CLAIMS ASSESSED?

Claims are assessed according to criteria established by the governments of Member States. These criteria, which also apply to claims against the Supplementary Fund, are set out in the 1992 Fund's Claims Manual, which is a practical guide on how to present claims for compensation.

The Funds, normally in cooperation with the shipowner's insurer, usually appoint experts to monitor clean-up operations, to investigate the technical merits of claims and to make independent assessments of the losses.

HELPFUL RESOURCES

The Claims Manual and various guidelines for claimants are available at www.iopcfunds.org



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.

£747 million

paid by the IOPC Funds in compensation since 1978
(£331 million of which was in respect of the 1971 Fund)

ONGOING INCIDENTS



BOW JUBAIL (NETHERLANDS, JUNE 2018)

Ship	<i>Bow Jubail</i>
Date of incident	23/06/2018
Place of incident	Rotterdam, the Netherlands
Cause of incident	Collision
Quantity of oil spilled	Approximately 217 tonnes of heavy fuel oil
Area affected	Rotterdam Port, the Netherlands
Flag State of ship	Norway
Gross tonnage	23 196 GT
P&I Insurer	Gard P&I (Bermuda) Ltd

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 I(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.

AGIA ZONI II (GREECE, SEPTEMBER 2017)

Ship	<i>Agia Zoni II</i>
Date of incident	10/9/2017
Place of incident	Saronic Gulf, Greece
Cause of incident	Sinking — circumstances under investigation
Quantity of oil spilled	Estimated to be in the region of 500 tonnes
Area affected	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
Flag State of ship	Greece
Gross tonnage	1 597 GT
P&I Insurer	Lodestar Marine Limited

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 98.58 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, 53 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 the submission of 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 clean-up expenses under the 1992 Civil Liability Convention (1992 CLC) and 1992 Fund Convention, by a party that

EUR 14 660 000

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

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 and that mere suspicion of such action would not be sufficient to deny payment. If, however, the claimant was eventually condemned by a criminal court to have intentionally caused the pollution, the 1992 Fund could commence a recourse action.

Whilst the investigation into the cause of the incident by the Public Prosecutor remains pending, the Director considers that it would not be appropriate to make any further advance payments to the representatives of the salvor/one of the clean-up contracting companies.



PRESTIGE
(SPAIN, NOVEMBER 2002)

Ship	<i>Prestige</i>
Date of incident	13/11/2002
Place of incident	Spain
Cause of incident	Breaking and sinking
Quantity of spill	Approximately 63 200 tonnes of heavy fuel oil
Area affected	Spain, France and Portugal
Flag State of ship	Bahamas
Gross tonnage	42 820 GT
P&I Insurer	London Steamship Owners' Mutual Insurance Association Ltd (London P&I Club)

EUR 147.9 million

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

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 51 537 619 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.



KRW 182 242 088 000

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

HEBEI SPIRIT
(REPUBLIC OF KOREA, DECEMBER 2007)

Ship	<i>Hebei Spirit</i>
Date of incident	07/12/2007
Place of incident	Taeon, Republic of Korea
Cause of incident	Collision
Quantity of oil spilled	Approximately 10 900 tonnes of crude oil
Area affected	The three southerly provinces on the west coast of the Republic of Korea
Flag State of ship	People's Republic of China
Gross tonnage	146 848 GT
P&I Insurer	China Shipowners Mutual Insurance Association (China P&I Club)/ Assuranceforeningen Skuld (Gjensidig) (Skuld Club)

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 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.



TRIDENT STAR
(MALAYSIA, AUGUST 2016)

Ship	<i>Trident Star</i>
Date of incident	24/8/2016
Place of incident	Malaysia
Cause of incident	Overflow
Quantity of spill	Unconfirmed
Flag State of ship	Malaysia
Gross tonnage	3 177 GT
P&I Insurer	The Shipowners' Mutual Protection and Indemnity Association (Luxembourg)

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 (STOPIA) 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 by a group of shipping companies, totalling USD 6.6 million, remain outstanding and are being assessed by the Shipowners' Club and the 1992 Fund.

List of open 1992 Fund incidents as at 31 December 2020

SHIP	PLACE OF INCIDENT	YEAR
<i>Prestige</i>	Spain	2002
<i>Solar 1</i>	Philippines	2006
<i>Hebei Spirit</i>	Republic of Korea	2007
<i>Redferm</i>	Nigeria	2009
<i>Haekup Pacific</i>	Republic of Korea	2010
<i>Alfa I</i>	Greece	2012
<i>Nesa R3</i>	Sultanate of Oman	2013
<i>Trident Star</i>	Malaysia	2016
<i>Nathan E. Stewart (formerly Incident in Canada)</i>	Canada	2016
<i>Agia Zoni II</i>	Greece	2017
<i>Bow Jubail</i>	The Netherlands	2018



INCIDENTS INVOLVING THE SUPPLEMENTARY FUND

As at 31 December 2020, there have been no incidents involving, or likely to involve, the Supplementary Fund.

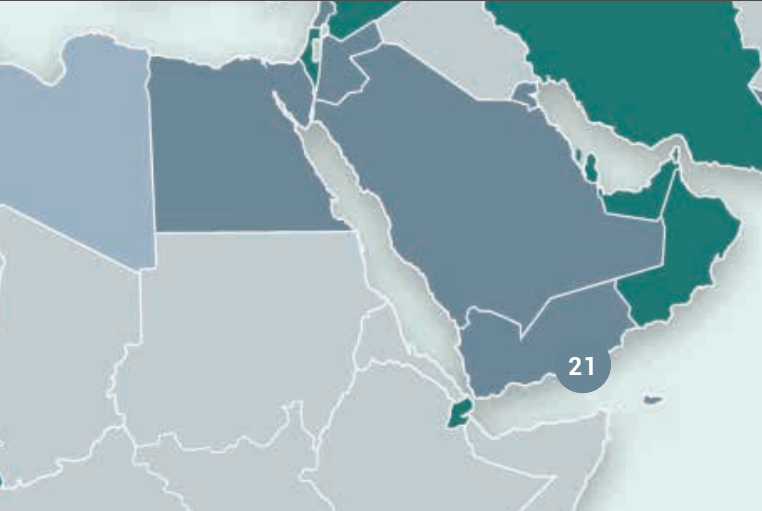
NON-IOPC FUNDS INCIDENTS

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.

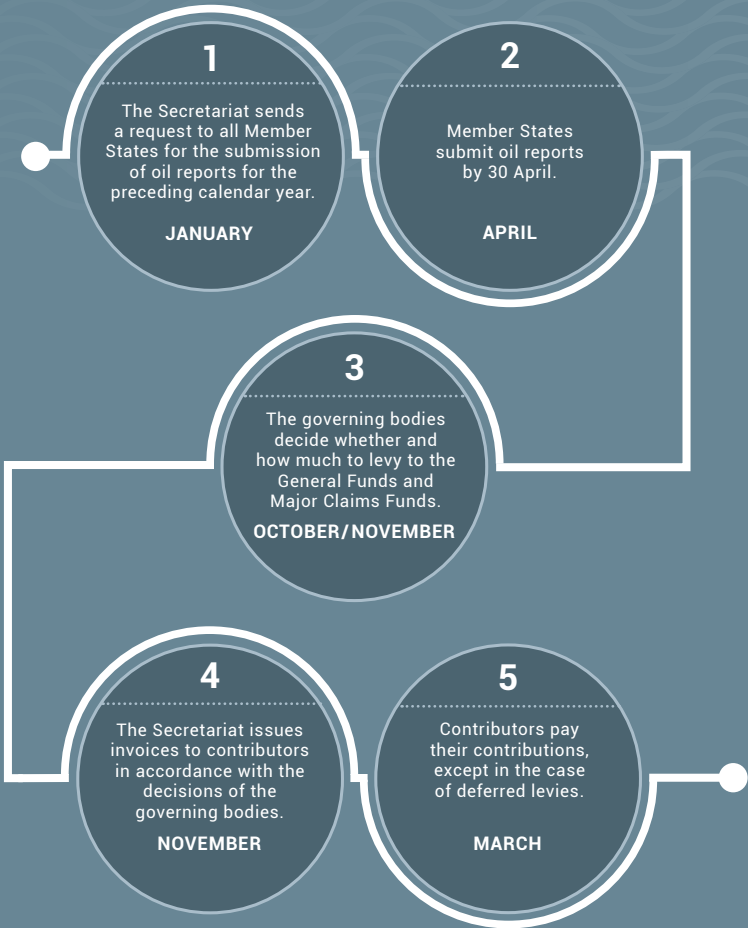


OIL REPORTING AND CONTRIBUTIONS

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).

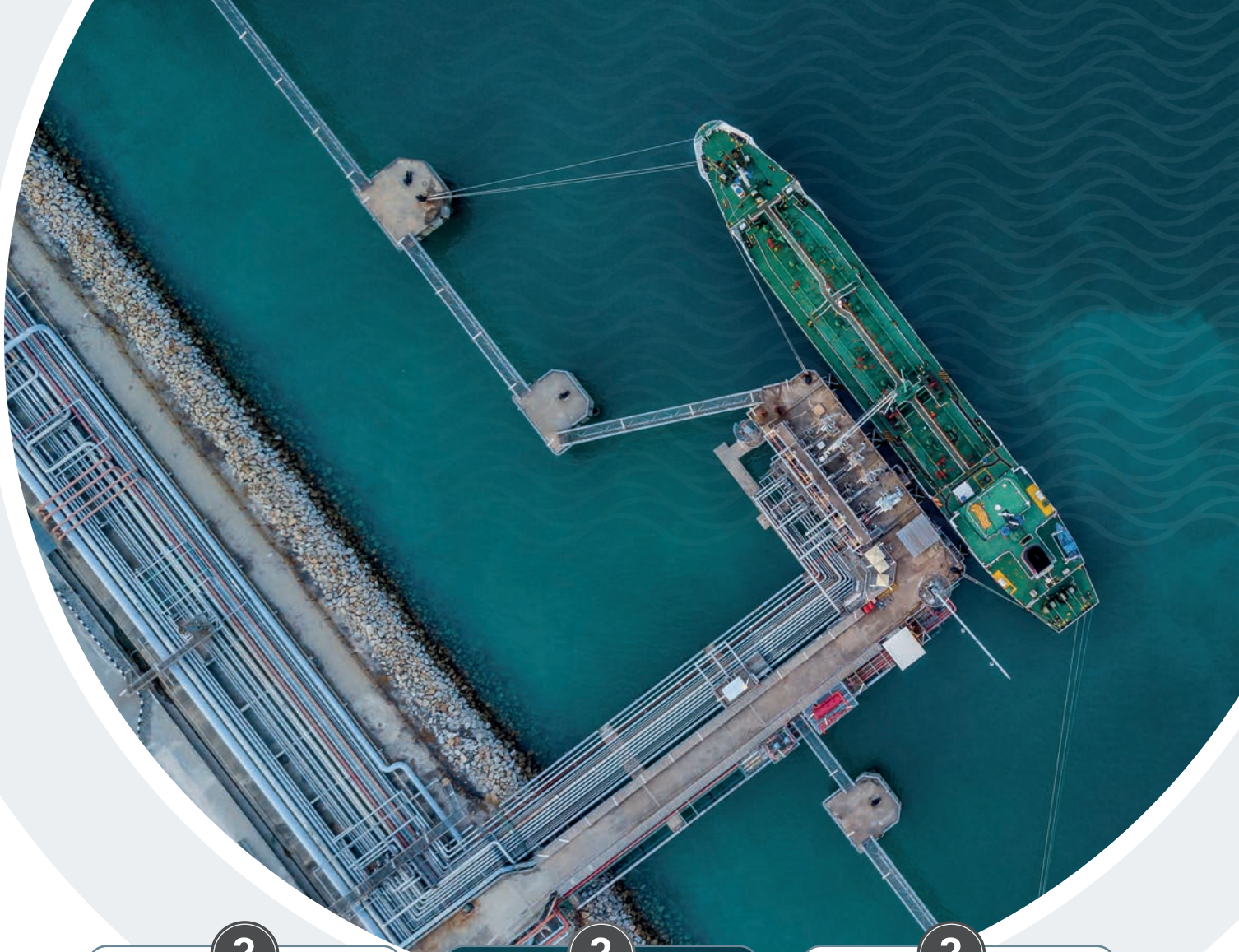
Governments of Member States are obliged to report to the Secretariat the quantities of oil received by the contributors in their State each year. These quantities are used to calculate a levy per tonne of oil received in order to provide the contributions required to administer the Funds and to pay 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.



CALCULATION OF CONTRIBUTIONS

TOTAL CONTRIBUTION LEVIED (£)	÷	TOTAL OF CONTRIBUTING OIL RECEIVED IN ALL MEMBER STATES (METRIC TONNES)	=	AMOUNT PER TONNE OF OIL RECEIVED (£ PER T)
QUANTITY OF OIL RECEIVED BY EACH CONTRIBUTOR	X	THE AMOUNT PER TONNE	=	AMOUNT TO BE PAID BY THAT CONTRIBUTOR IN POUNDS STERLING (£)



Q. WHAT IS CONTRIBUTING OIL?

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.

Q. DOES A COMPANY THAT RECEIVES OIL TEMPORARILY IN A STORAGE FACILITY FOR OTHERS HAVE TO PAY?

A. It is the first physical receiver of the oil in a Member State who is normally liable to pay contributions, provided that the oil has previously been transported by sea. It does not matter whether the oil is received on behalf of another company. There may be exceptions based on national legislation.

Q. IF NOBODY IN A MEMBER STATE RECEIVES OIL, WHAT HAPPENS?

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.

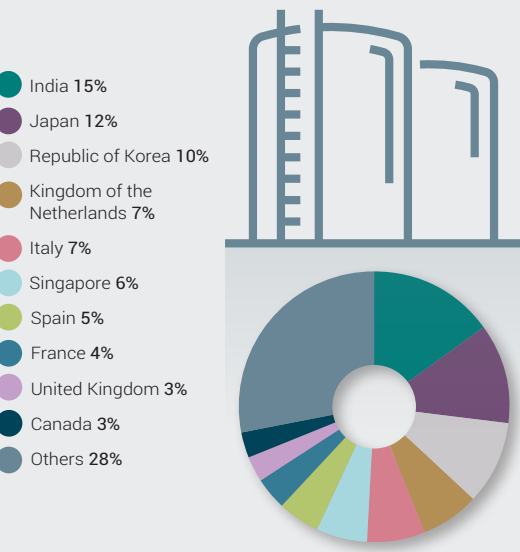
1992 FUND

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 R3*, 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 *Hebei 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 1992 FUND MEMBER STATES IN 2019 (AS REPORTED BY 31 DECEMBER 2020)



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

MEMBER STATE	CONTRIBUTING OIL RECEIVED IN 2019 (TONNES)	% OF TOTAL
India	227 919 250	15.15%
Japan	177 230 463	11.78%
Republic of Korea	143 947 981	9.57%
Netherlands (Kingdom of the Netherlands) ^{<1>} , ^{<2>}	110 511 447	7.35%
Italy	108 142 752	7.19%
Singapore	89 925 894	5.98%
Spain	75 650 406	5.03%
France	52 983 836	3.52%
United Kingdom	52 514 932	3.49%
Canada	47 459 732	3.16%
Thailand	47 295 307	3.14%
Turkey	35 079 826	2.33%
Greece	29 106 365	1.94%
United Arab Emirates	25 493 363	1.69%
Germany	25 468 654	1.69%
Malaysia	22 688 783	1.51%
Sweden	20 191 408	1.34%
Australia	20 178 341	1.34%
South Africa	19 303 578	1.28%
Mexico	17 832 654	1.19%
Israel	14 183 255	0.94%
Poland	13 442 942	0.89%
Finland	12 792 055	0.85%
Portugal	12 258 049	0.81%
Lithuania	9 541 616	0.63%
Norway	9 341 898	0.62%
Philippines	8 999 629	0.60%
Bulgaria	7 001 144	0.47%
Denmark	6 765 886	0.45%
China ^{<3>}	6 431 509	0.43%
Croatia	6 181 465	0.41%
New Zealand	5 805 715	0.39%
Belgium	5 524 595	0.37%

MEMBER STATE	CONTRIBUTING OIL RECEIVED IN 2019 (TONNES)	% OF TOTAL
Bahamas	4 889 573	0.33%
Côte d'Ivoire	3 034 787	0.20%
Estonia	3 012 518	0.20%
Ireland	2 553 887	0.17%
Angola	2 426 296	0.16%
Malta	2 354 549	0.16%
Ecuador	2 249 169	0.15%
Jamaica	2 167 785	0.14%
Sri Lanka	2 086 559	0.14%
Uruguay	1 994 581	0.13%
Brunei Darussalam	1 717 643	0.11%
Colombia	1 196 704	0.08%
Papua New Guinea	1 143 556	0.08%
Mauritius	1 020 497	0.07%
Qatar	914 581	0.06%
Cyprus	773 602	0.05%
Morocco	739 616	0.05%
Ghana	518 509	0.03%
Algeria	420 102	0.03%
Aruba (Kingdom of the Netherlands) ^{<1>}	375 589	0.02%
United Republic of Tanzania	367 390	0.02%
Tunisia	304 702	0.02%
Barbados	200 638	0.01%
Curaçao (Kingdom of the Netherlands) ^{<1>}	179 719	0.01%
Madagascar	177 822	0.01%
Guyana	163 287	0.01%
Total	1 504 178 391	

^{<1>} 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 contributing oil to the 1992 Fund directly. The Supplementary Fund has not been extended to Aruba, Curaçao or Sint Maarten.

^{<2>} A partial submission of 2019 reports was received from the Netherlands by 31 December 2020. The total tonnage has therefore been estimated.

^{<3>} The 1992 Fund Convention applies to the Hong Kong Special Administrative Region only.

India

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

15%

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, Latvia, Luxembourg, Maldives, Marshall Islands, Monaco, Montenegro, Mozambique, Namibia, Nicaragua, Nigeria, Niue, 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).

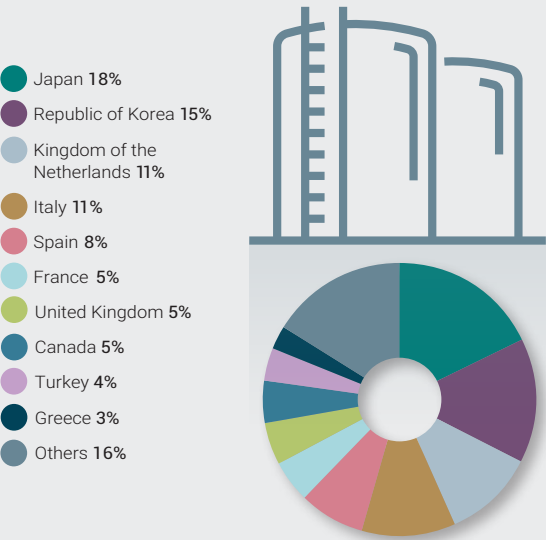
Dominican Republic and Syrian Arab Republic have not submitted any reports to the 1992 Fund since becoming Member States. The Secretariat continues to offer assistance to the relevant reporting authorities in these States to obtain the outstanding reports and assist them in fulfilling their obligations under the 1992 Fund Convention.

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)



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.

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

MEMBER STATE	CONTRIBUTING OIL RECEIVED IN 2019 (TONNES)	% OF TOTAL
Japan	177 230 463	17.84%
Republic of Korea	143 947 981	14.49%
Netherlands (Kingdom of the Netherlands) ^{<1>}	110 511 447	11.12%
Italy	108 142 752	10.88%
Spain	75 650 406	7.61%
France	52 983 836	5.33%
United Kingdom	52 514 932	5.28%
Canada	47 459 732	4.78%
Turkey	35 079 826	3.53%
Greece	29 106 365	2.93%
Germany	25 468 654	2.56%
Sweden	20 191 408	2.03%
Australia	20 178 341	2.03%
Poland	13 442 942	1.35%
Finland	12 792 055	1.29%
Portugal	12 258 049	1.23%
Lithuania	9 541 616	0.96%
Norway	9 341 898	0.94%
Denmark	6 765 886	0.68%
Croatia	6 181 465	0.62%
New Zealand	5 805 715	0.58%
Belgium	5 524 595	0.56%
Estonia	3 012 518	0.30%
Ireland	2 553 887	0.26%
Morocco	1 000 000	0.10%
Barbados	1 000 000	0.10%
Congo	1 000 000	0.10%
Hungary	1 000 000	0.10%
Latvia	1 000 000	0.10%
Montenegro	1 000 000	0.10%
Slovakia	1 000 000	0.10%
Slovenia	1 000 000	0.10%
Total	993 686 769	

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.



No contributing oil was received during 2019 in the territories of the following 6 Member States, however they are deemed to have received 1 000 000 tonnes for the purposes of contributions to the Supplementary Fund: Congo, Hungary, Latvia, Montenegro, Slovakia, Slovenia.

Two Member States received less than 1 000 000 tonnes of contributing oil during 2019 but are deemed to have received 1 000 000 tonnes for the purposes of contributions to the Supplementary Fund. Contributors received 200 638 tonnes in Barbados and 739 616 tonnes in Morocco in 2019.

^{<1>} A partial submission of 2019 reports was received from the Netherlands by 31 December 2020. The total tonnage has therefore been estimated.

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.

WHAT WE DO



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, ITOPE, 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.



ONGOING COOPERATION



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.

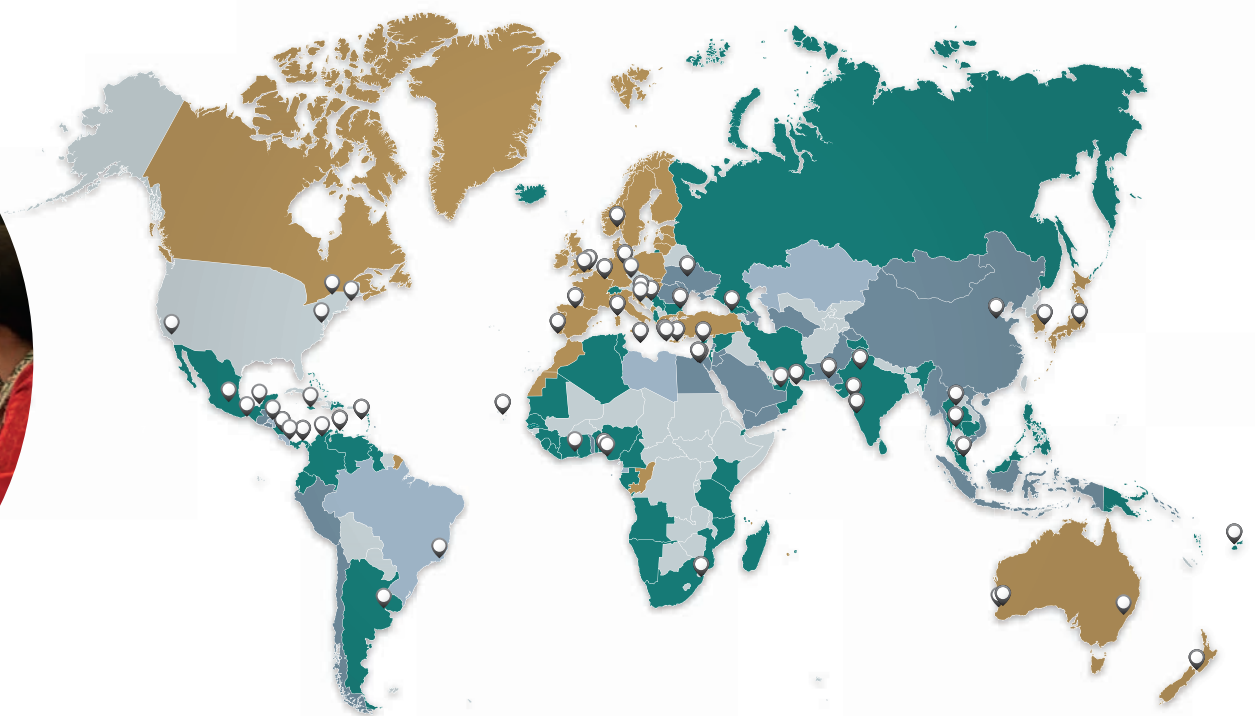


Working closely with P&I Clubs to ensure good cooperation in the event of an incident.



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

OUTREACH ACTIVITIES DELIVERED SINCE 2016



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.



01/08/2020 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.

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 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



Claims information pack

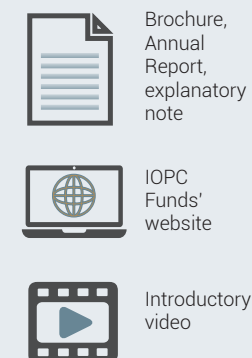


Guidance for Member States

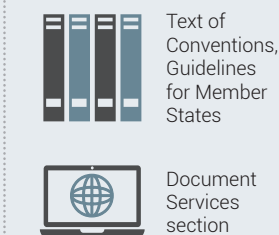


NEW DELEGATE OF THE IOPC FUNDS? HERE ARE SOME TOP TIPS:

WHAT WE DO IN BRIEF



THE IOPC FUNDS IN DEPTH



FIND OUT MORE



STAY INFORMED



WANT TO LEARN MORE?

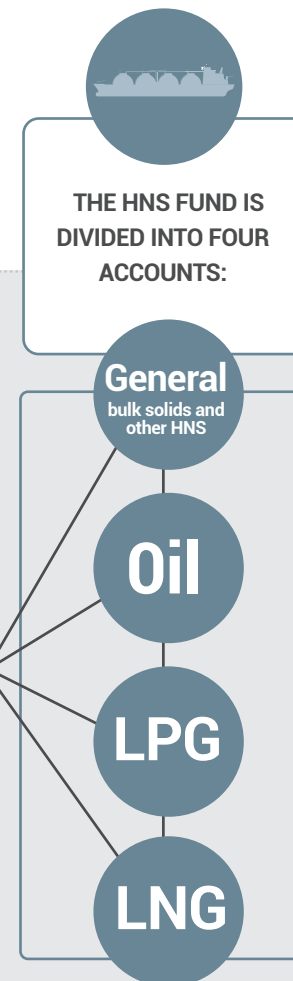
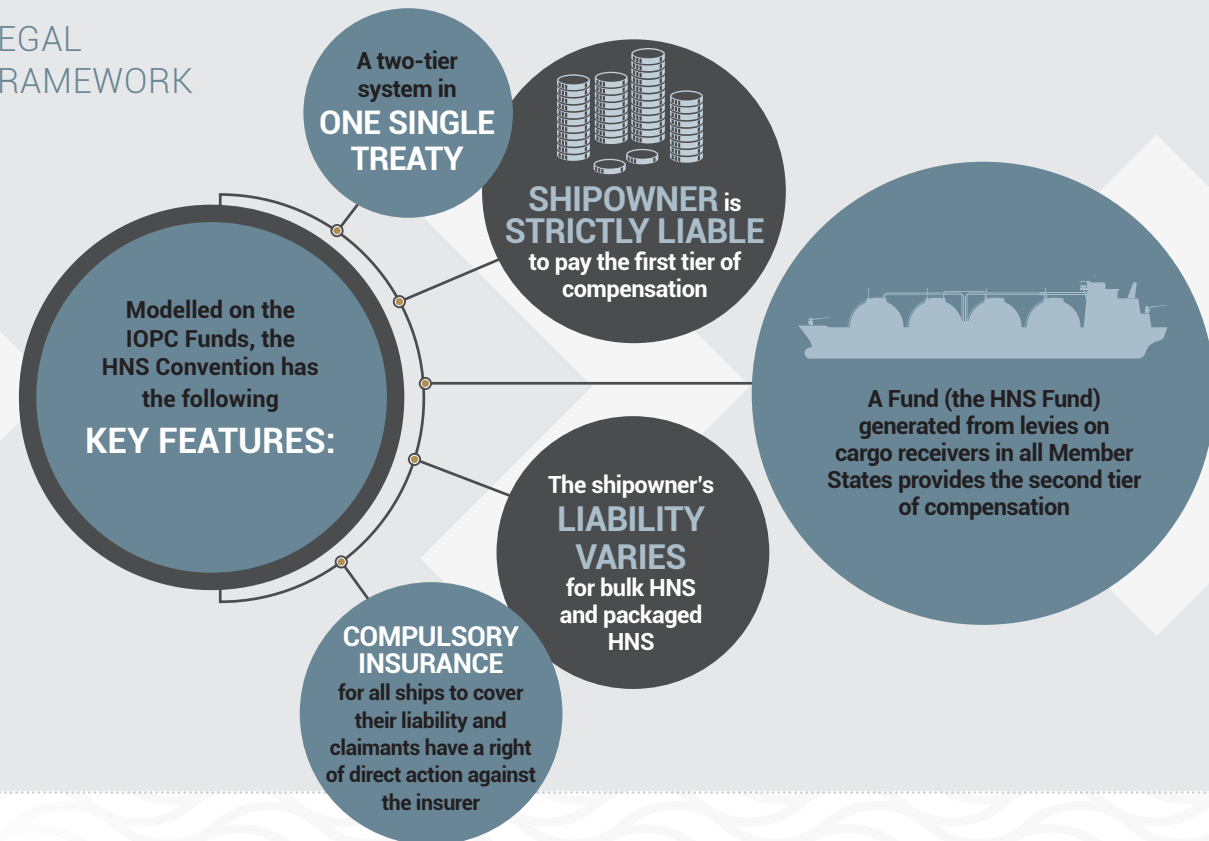
CONTACT US TO ORGANISE A VISIT, EVENT OR ACTIVITY
WITH THE SECRETARIAT. WE'RE HERE TO HELP.



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).

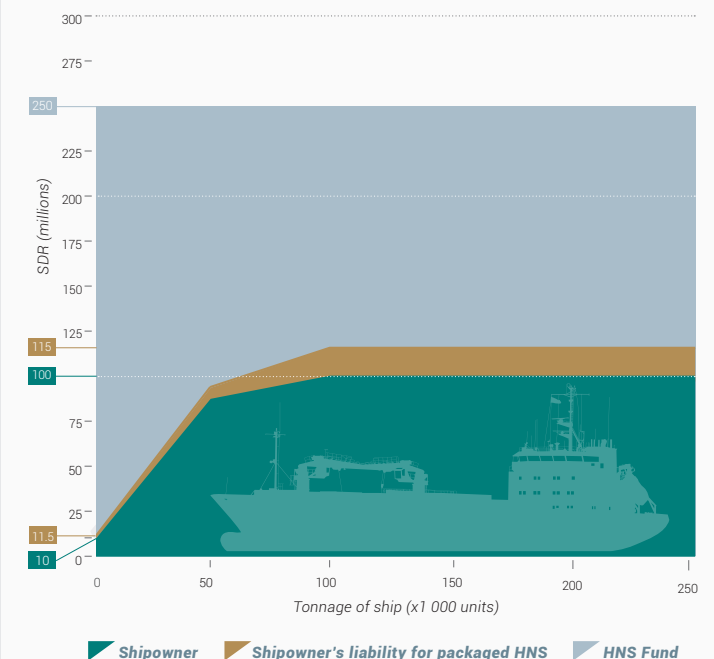
LEGAL FRAMEWORK



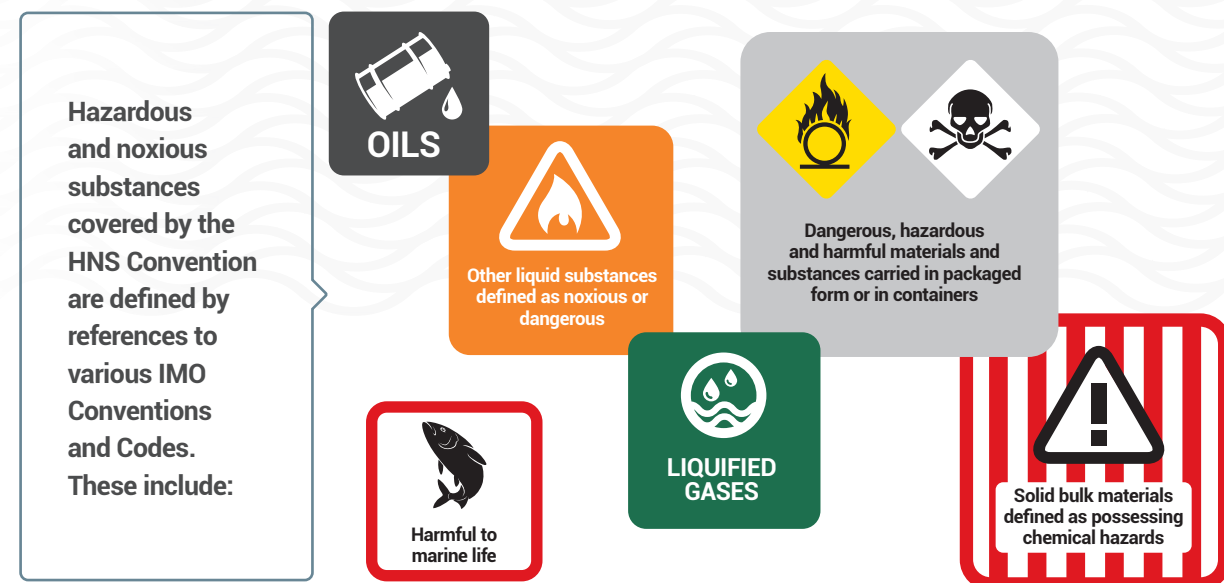
Each separate account will meet claims attributable to the respective cargo and will be funded by the receivers of those cargoes in Member States, which means that there will be no cross-subsidisation between accounts.

THE HNS FUND PROVIDES UP TO A TOTAL OF SDR 250 MILLION IRRESPECTIVE OF SHIP SIZE

MAXIMUM LIMITS OF COMPENSATION



WHAT ARE HNS?



ENTRY INTO FORCE CONDITIONS

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

12 STATES HAVE RATIFIED

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.

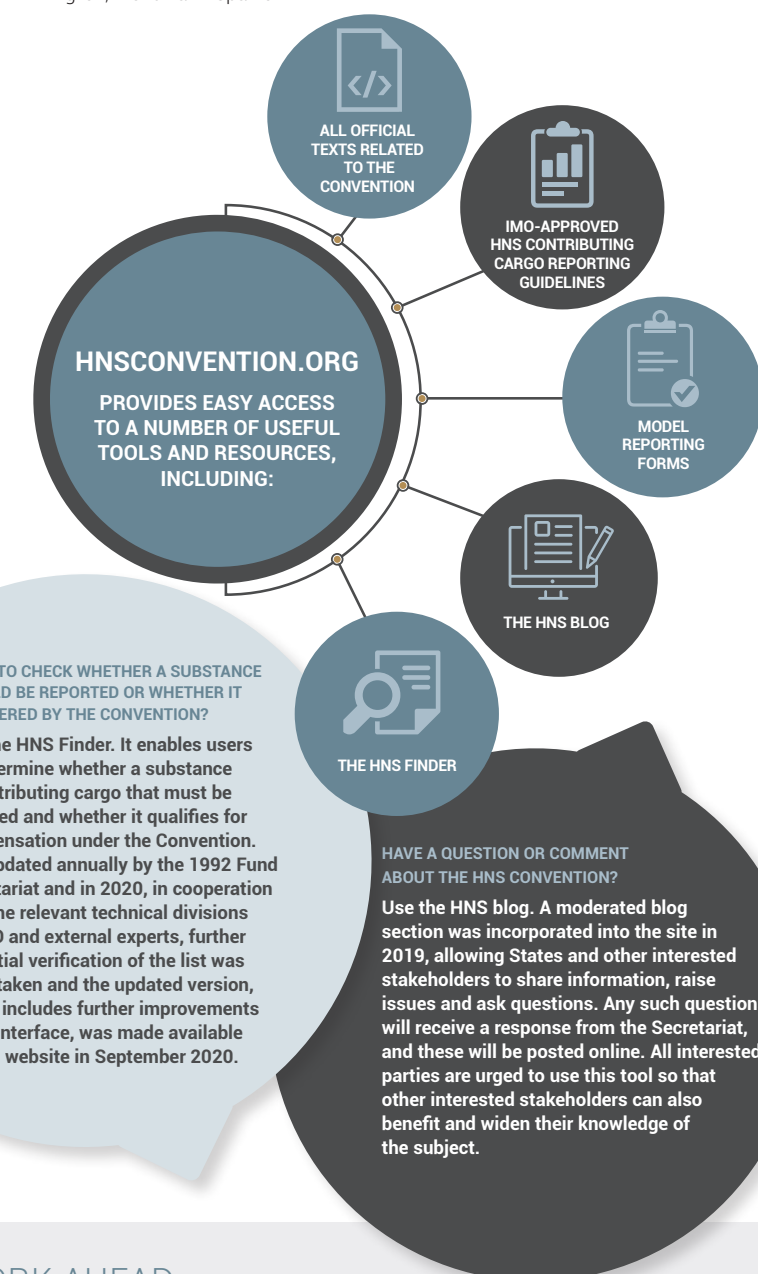
A number of other States have indicated on several occasions that they are working towards implementation of the Convention in 2020 with a view to ratifying or acceding to it during the course of 2021 or 2022.

ROLE OF THE IOPC FUNDS AND WORK UNDERTAKEN IN 2020

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.

WEBSITE

The Secretariat maintains the website www.hnsconvention.org in English, French and Spanish.



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.

Explanatory brochure also available to download



GOVERNING BODIES

- 36 Structure of the Governing Bodies
- 37 Observers to sessions of the Governing Bodies
- 38 Participation at Meetings
- 39 Sessions of the Governing Bodies in 2020

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:
Tomotaka Fujita (Japan)*

Second Vice-Chair:
Aureny 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, contributions, appointment of Director, External Auditor, adoption of internal and financial regulations, policy, etc.

1992 FUND EXECUTIVE COMMITTEE

Composition:
15 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:
Kanagalingam Selvarasah (Malaysia)*

Frequency of meetings:
Normally twice a year.

Role:
Subsidiary body established by Assembly to take policy decisions on the admissibility of claims.

No State may serve on the Executive Committee for more than two consecutive terms.

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 Dinçer (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.

**In the position of Chair or Vice - Chair as at December 2020*



OBSERVERS TO SESSIONS OF THE GOVERNING BODIES



RELATIONS WITH NON-MEMBER STATES

States considering acceding 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.

OBSERVER STATES OF THE 1992 FUND AND SUPPLEMENTARY FUND AS AT 31 DECEMBER 2020

• Bolivia (Plurinational State of)	• Kuwait
• Brazil	• Lebanon
• Chile	• Nauru (1992 Fund Member State as of 23/03/21)
• Democratic People's Republic of Korea	• Pakistan
• Egypt	• Peru
• Guatemala	• Saudi Arabia
• Honduras	• Ukraine
• Indonesia	• United States

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 Commission (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 (REMPEC)
- United Nations (UN)
- United Nations Environment Programme (UNEP)

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

- BIMCO
- Cedre
- Comité Maritime International (CMI)
- Conference of Peripheral Maritime Regions (CPMR)
- European Chemical Industry Council (CEFIC)
- Iberoamerican Institute of Maritime Law (IIDM)
- 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 Insurance (IUMI)
- ITOPF
- Oil Companies International Marine Forum (OCIMF)
- Sea Alarm Foundation (Sea Alarm)
- World LPG Association (WLPGA)

PARTICIPATION AT MEETINGS

WHAT TO EXPECT AS A DELEGATE

BEFORE THE MEETING

REGISTER TO ATTEND THE MEETING

When: No later than one week before.
How: Online via Document Services website.

Why: 1) For security/to gain access to the building;

2) to ensure sufficient space is allocated in the conference hall;

3) to ensure your name appears on the official List of Participants to the meeting.

Register for the March 2021 meeting

Registration of states is required to attend the meeting. Please enter your details in the form and submit to the Secretariat for processing.

Title * Ministry/Company *

First Name * Address line 1 *

Family Name * Address line 2 *

REGISTER FOR A DOCUMENT SERVICES ACCOUNT

When: Any time.

How: Online via Document Services website.

Why: 1) To receive notification emails when new documents are published;

2) to create folders and store batches of documents;

3) to store previous registration details and register multiple participants at a time.

DOWNLOAD AND REVIEW MEETING DOCUMENTS

When: All documents are normally published no later than two weeks before the meeting in all working languages.

How: Download from Document Services website.

Why: Documents are not available in hard copy at the meetings so it is important to access these online beforehand.

SUBMIT CREDENTIALS

When: No later than one week before the meeting.

How: By email online at time of registration or by post.

Why: 1) To confirm authority to act as a Member State representative;

2) to ensure right to vote in any elections or other such decisions.

REMOTE MEETINGS

Register online and submit credentials 2 weeks before to ensure you receive a link to the meeting.

Attend the connectivity testing session before the meeting.

THE DOCUMENT SERVICES WEBSITE CAN BE FOUND AT WWW.IOPCFUNDS.ORG/DOCUMENTSERVICES

DURING THE MEETING

BE SEATED IN THE CONFERENCE HALL PROMPTLY

When: No later than 9.30am.

How: Seating plan is available outside the hall.

Why: To determine whether a quorum has been achieved for each of the governing bodies. Late arrivals on the first day can lead to an Assembly being unable to convene.

FORWARD ANY LENGTHY STATEMENTS TO SECRETARIAT

When: ASAP.

How: By email to conference@iopcfunds.org.

Why: 1) To assist the interpreters who will be delivering your statement as you make it;

2) to assist the Secretariat in summarising the key points for the draft Record of Decisions or for inclusion verbatim, if requested at the time of the statement.

ADOPT THE RECORD OF DECISIONS

When: Final day of the meeting.

How: The report of the meeting is made available for review one hour before the session.

Why: To confirm all discussion and decisions from the meeting are accurately reflected.

AFTER THE MEETING

DOWNLOAD FINAL RECORD OF DECISIONS

The final Record of Decisions is published online in English within 14 days of the meeting and in French and Spanish soon thereafter.

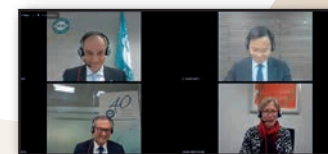
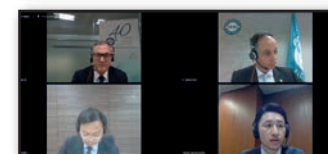
STAY IN TOUCH

Delegates are encouraged to remain in contact with the Secretariat between meetings for any enquiries and the exchange of useful information, such as updating of contact information or changes in position within a delegation.

FOR FURTHER INFORMATION EMAIL CONFERENCE@IOPCFUNDS.ORG

Information on the next meeting of the IOPC Funds' governing bodies can be found on the Governing Bodies page of the website. Updates about upcoming meetings are also posted on Twitter @IOPCFunds.

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.

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.

ATTENDANCE AT THE OCTOBER 2019 SESSIONS

>210
DELEGATES

63
1992 FUND
MEMBER STATES
IN ATTENDANCE

25
SUPPLEMENTARY
FUND MEMBER
STATES

15
OBSERVER
ORGANISATIONS

4
OBSERVER
STATES

ATTENDANCE AT THE DECEMBER 2020 SESSIONS

>350
ATTENDEES

70
1992 FUND
MEMBER STATES
IN ATTENDANCE

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.



GAUTE SIVERTSEN
(NORWAY)
CHAIR SINCE OCTOBER 2011

ALL DOCUMENTS INCLUDING THE FULL RECORDS OF DECISIONS FOR THE 2020 SESSIONS OF THE GOVERNING BODIES ARE AVAILABLE UNDER THE DOCUMENT SERVICES SECTION OF THE FUNDS' WEBSITE. A SUMMARY OF THE MAIN ISSUES DISCUSSED AND DECISIONS TAKEN IS SET OUT BELOW.

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 2020, 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 all 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 Chair of the 1992 Fund Assembly informed the governing bodies that the second term of the Director would expire on 31 December 2021 and therefore, the post of Director would become vacant on 1 January 2022. He explained that a circular would be issued in 2021 inviting 1992 Fund Member States to submit nominations for candidates and that at its regular session in November 2021, the 1992 Fund Assembly would have to elect a new Director.

The Assembly also noted that, whilst the number of Contracting States to the 2010 HNS Convention remained at five, a number of States had reported to the Secretariat that they had made significant progress towards implementation and ratification of the Convention, in particular, Belgium, France, Germany, the Netherlands and the Republic of Korea. The delegation of France presented a document which detailed the specific progress in France, including the development of a national reporting system.



SUNGBUM KIM
(REPUBLIC OF KOREA)
CHAIR SINCE OCTOBER 2011

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.





GILLIAN GRANT
(CANADA) CHAIR SINCE
OCTOBER 2019



1992 FUND EXECUTIVE COMMITTEE (74TH SESSION)

The Executive Committee was informed of all key developments during the course of the year in respect of the 11 open incidents. For full details see pages 18-21.

With regard to the *Prestige* incident, the Executive Committee took note that, following an order issued by the Court in La Coruña, in November 2020 the Spanish Court had made payments totalling EUR 51 537 619 to claimants in the Spanish legal proceedings and the Spanish State, which had advanced compensation to victims in Spain, received EUR 40 740 852 from the Court. In addition, the French State, which had carried out clean-up operations on the French coast after the spill, received EUR 9 268 952 and the local government in Galicia and private claimants in Spain received EUR 1 527 815. The Committee also noted that the 1992 Fund's lawyer is working together with the French Government's lawyers to consider how to proceed with their respective actions against American Bureau of Shipping (ABS).

The Committee further noted that in July 2020, it was confirmed that all legal proceedings related to the *Hebei Spirit* incident had been finalised, and the 1992 Fund made a payment to the insurer, Assurancéföreningen Skuld (Gjensidig) (Skuld Club), for the balance of KRW 3.4 billion (£2.3 million) and thus, the total amount overpaid by the Skuld Club had been reimbursed. All lawsuits have been withdrawn or dismissed by the Seosan Court and therefore, all legal proceedings relating to the incident have been finalised.

With regard to the *Agia Zoni II* incident, it was reported in December that the 1992 Fund had received 421 claims amounting to EUR 98.58 million and USD 175 000 and had made compensation payments totalling 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 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*.

In addition to the four incidents above, the Committee also noted that the Secretariat had provided information in respect of the *Solar 1* (Philippines, August 2006), *Redffern* (Nigeria, March 2009), *Haekup Pacific* (Republic of Korea, April 2010), *Alfa I* (Greece, March 2012), *Nesa R3* (Oman, June 2013), *Trident Star* (Malaysia, August 2016) and *Nathan E. Stewart* (Canada, October 2016) incidents.

CURRENT 1992 FUND EXECUTIVE COMMITTEE MEMBERS (FROM DECEMBER 2020 UNTIL NOVEMBER 2021)

CANADA	MARSHALL ISLANDS
ECUADOR	MOROCCO
GERMANY	NETHERLANDS
GHANA	PHILIPPINES
INDIA	REPUBLIC OF KOREA
ITALY	SPAIN
LIBERIA	THAILAND
MALAYSIA	

1992 FUND EXECUTIVE COMMITTEE MEMBERS (FROM OCTOBER 2019 UNTIL DECEMBER 2020)

CANADA	REPUBLIC OF KOREA
CHINA	SINGAPORE
FRANCE	SOUTH AFRICA
GEORGIA	THAILAND
GHANA	TURKEY
JAMAICA	UNITED ARAB EMIRATES
JAPAN	
MEXICO	UNITED KINGDOM

FINANCIAL REVIEW

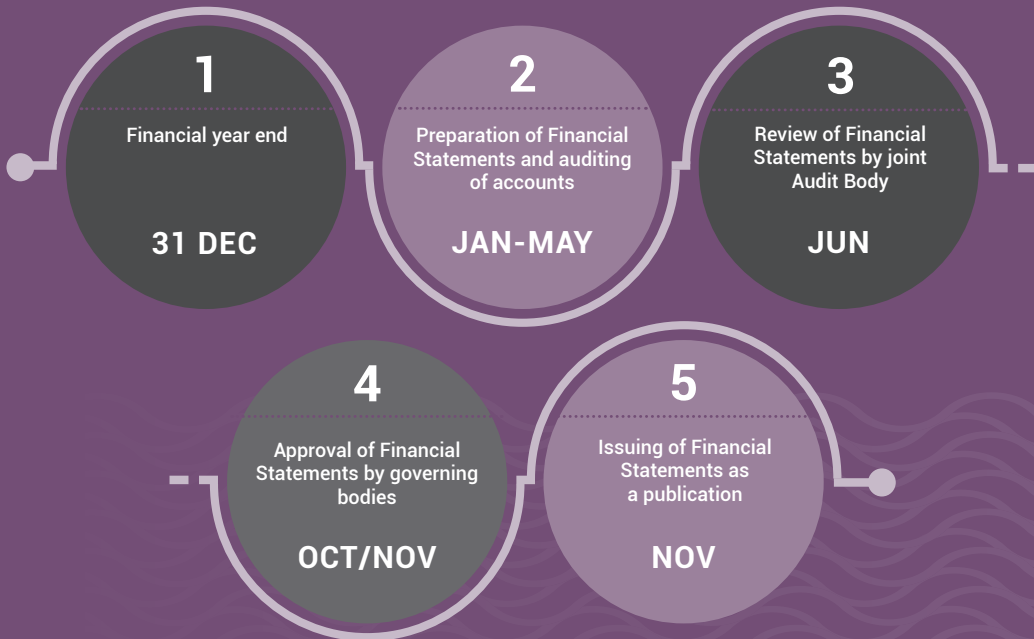
44	Financial Administration
45	Financial Highlights for 2020
47	Summary of Major Claims Funds

FINANCIAL ADMINISTRATION

The 1992 Fund and the Supplementary Fund each have General Funds which cover administrative expenses, including the costs of running the joint Secretariat and, in respect of the 1992 Fund, for compensation payments and claims-related expenditure up to a maximum amount of SDR 4 million (approximately £4.2 million) per incident. Separate Major Claims Funds are established for incidents for which the total amounts payable exceed those amounts. A Claims Fund is established for any incident for which the Supplementary Fund has to pay compensation. Since there have been no incidents involving the Supplementary Fund, no Claims Funds have been established.

Financial Statements prepared under the International Public Sector Accounting Standards (IPSAS) provide a comprehensive view of the financial position and the financial performance of the organisation at the entity level. The Funds' activities have been classified into segments on the basis of the General Funds and Major Claims Funds and disclosure about each stream of activity is provided in the notes to the Financial Statements.

The financial year runs from January to December, with income and expenditure information for 2020 published in this annual report. The annual accounts are subject to external audit, are reviewed by the Audit Body and presented to the governing bodies for approval at their October/November sessions. Once approved, they are reproduced in the form of an online publication entitled 'Financial Review' and published on the Funds' website at www.iopcfunds.org under the Publications page.



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)

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

ADMINISTRATIVE COSTS	
JOINT SECRETARIAT:	£
BUDGET (EXCLUDING EXTERNAL AUDITOR'S FEES FOR RESPECTIVE IOPC FUNDS)	4 875 731
EXPENDITURE (EXCLUDING EXTERNAL AUDITOR'S FEES FOR RESPECTIVE IOPC FUNDS)	3 934 205
EXTERNAL AUDITOR'S FEES IN RESPECT OF 1992 FUND	53 600

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

* Including interim reimbursements from the P&I Club for joint costs of £4 587 for Hebei Spirit MCF
** Compensation paid in respect of Trident Star incident reimbursed by the P&I Club under STOPIA 2006




FINANCIAL HIGHLIGHTS FOR 2020 - SUPPLEMENTARY FUND

REVENUE	£
CONTRIBUTIONS DUE IN 2020:	-
OTHER REVENUE:	
INTEREST ON INVESTMENTS	5 987
TOTAL REVENUE	5 987
EXPENDITURE	£
ADMINISTRATIVE COSTS:	
MANAGEMENT FEE PAYABLE TO 1992 FUND	38 000
EXTERNAL AUDIT FEES	4 400



SUMMARY OF MAJOR CLAIMS FUNDS

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.

					
CUMULATIVE INCIDENT EXPENDITURE TO 31/12/2020 (UNAUDITED)	<i>Prestige</i>	<i>Hebei Spirit</i>	<i>Alfa I</i>	<i>Agia Zoni II</i>	<i>Nesa R3</i>
	£	£	£	£	£
Compensation paid to 31/12/2019	106 621 900	117 299 805	10 856 126	10 109 180	6 703 800
Compensation paid 2020	-	2 275 799	-	2 798 207	-
Total compensation	106 621 900	119 575 604	10 856 126	12 907 387	6 703 800
Claims-related expenditure paid to 31/12/2019	24 499 275	37 201 486	579 531	2 955 443	385 351
Claims-related expenditure paid 2020	66 208	42 930	77 869	823 658	27 389
Total Claims-related expenditure paid	24 565 483	37 244 416	657 400	3 779 101	412 740
Total expenditure (cash basis, including SDR 4 million paid for each incident from General Fund)	131 187 383	156 820 020	11 513 526	16 686 488	7 116 540

MAJOR CLAIMS FUND BALANCES	<i>Prestige</i>	<i>Hebei Spirit</i>	<i>Alfa I</i>	<i>Agia Zoni II</i>	<i>Nesa R3</i>
	£	£	£	£	£
Fund balance 31/12/2019 (accrual basis - see Financial Statements for more details)	596 378	5 655 035	453 113	24 717 039	(3 182 979)
Provision for compensation at 31/12/2019, added back	682 321	2 254 939	-	2 265 328	-
Fund balance 31/12/2019 (adjusted cash basis)	1 278 699	7 909 974	453 113	26 982 367	(3 182 979)

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.

CONTRIBUTIONS LEVIED TO MAJOR CLAIMS FUNDS	<i>Prestige</i>	<i>Hebei Spirit</i>	<i>Alfa I</i>	<i>Agia Zoni II</i>	<i>Nesa R3</i>
	£	£	£	£	£
Contributions levied, due by March 2020 or before	119 000 000	131 500 000	8 075 000	41 000 000	3 600 000
2020 levy, due 1 March 2021	-	-	-	-	-
Total contributions levied or approved	119 000 000	131 500 000	8 075 000	41 000 000	3 600 000

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
Shutterstock.com

Pages 2, 4, 5, 12-15, 35-37 and 40-42
You Inspire Photography

Pages 10, 28-29 and 39
IOPC Funds

Page 18
Hans de Visser

Page 20
CGC

Page 21
Directorate General of Shipping, Government of India

Published by the International Oil Pollution Compensation Funds

Copyright ©IOPC Funds 2021

Permission is granted to reproduce for personal and educational use only but acknowledgement is requested.

Commercial copying, hiring or lending is prohibited.

All other rights are reserved.

Design by *thecircus.uk.com*





International Oil Pollution Compensation Funds

4 Albert Embankment
London SE1 7SR
United Kingdom

Telephone: **+44 (0)20 7592 7100**

E-mail: **info@iopcfunds.org**

Website: **www.iopcfunds.org**