

Annual Report

International Oil Pollution
Compensation Funds



2021



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Foreword

It was a great honour to have been elected Chair of the 1992 Fund Assembly in March 2021 and, in this new capacity, I am delighted to introduce the IOPC Funds Annual Report. 2021 was an unusual year for the organisation in many respects. The lifting and reinforcement of national and international restrictions at various points during the year due to the ongoing pandemic required both the Secretariat and the Member States to adapt quickly to the changing circumstances. All this during a pivotal year for the organisation as the 1992 Fund Assembly was required to elect a new Director to succeed Mr José Maura, whose second term of office expired on 31 December.



I wish to take this opportunity to thank Mr Maura on behalf of the Assembly and to acknowledge in particular his outstanding skills and commitment to facilitating the numerous electoral processes of the organisation and to supporting the elected officials – myself certainly included – in fulfilling their responsibilities.

The IOPC Funds has been in the safe hands of Mr Maura for the past ten years, and he has certainly set an extremely high standard for any successor to follow. However, the organisation was fortunate to have three highly qualified and diverse candidates present themselves for election and, regardless of the changing working modalities, a full, transparent and fair election process was required. Along with many other international intergovernmental organisations, we found ourselves in an unprecedented situation, in which an election would need to be organised around a remote meeting. The governing bodies held extraordinary sessions in July to consider the options available that would fall within their existing Rules of Procedure and in November, the election successfully took place, resulting in the former Chair of the 1992 Fund Assembly, my predecessor, Mr Gaute Sivertsen being appointed the next Director of the IOPC Funds.

Fortunately, with the lifting of several restrictions in the UK, some delegations were able to attend the November meeting in person and it was a pleasure to be able



With the support of its Member States, reliability of its contributors and under the leadership of its new Director, I am confident that the organisation is ready for the demands, financial or otherwise, of the year ahead."

to Chair the Assembly from the podium of the main conference hall with familiar faces present in the room after two years of entirely online meetings. I am hopeful that we will be able to return to holding meetings in-person at some stage during 2022. That said, the move to remote meetings has certainly had its advantages, with a record 88 States attending the regular sessions in November.

Despite the reduced timetables of the remote meetings, the governing bodies were able to hold a number of discussions and take several key decisions during their March, July and November sessions.

These included the approval of the 2020 Financial Statements, the adoption of the administrative budget for 2022 and the levying of some £12.2 million in contributions to the General Fund and a further £8 million to the Incident in Israel Major Claims Fund, with £4 million payable by 1 March 2022, and £4 million, or part thereof, to be invoiced later in 2022 if required. With the support of its Member States, reliability of its contributors and under the leadership of its new Director, I am confident that the organisation is ready for the demands, financial or otherwise, of the year ahead.

I take this opportunity to thank my fellow Chair, Ms Gillian Grant, for the skill and diplomacy with which she chaired the 1992 Fund Executive Committee during her two-year term of office. I also thank Mr Sungbum Kim, Chair of the Supplementary Fund Assembly, whose long experience in that role and continued support I very much appreciate given that the two Assemblies share many mutual items of interest. I look forward to working with Mr Kim further in 2022 and of course to working with the newly elected Chair of the 1992 Fund Executive Committee, Mr Samuel Soo.

Finally, I would like to congratulate Mr Sivertsen on his appointment as Director of this prestigious organisation. A long-standing delegate at IOPC Funds' meetings and Chair of the 1992 Fund Assembly for ten years, Mr Sivertsen is well known to the organisation and to me personally as a fellow delegate. He certainly has all the necessary experience and skills to lead the IOPC Funds going forward and I certainly feel assured that the organisation is guaranteed a successful future with him at the helm.

Antonio Bandini

Antonio Bandini
Chair of the 1992 Fund Assembly



A record
88
States participated
in the November
2021 meeting

Review of 2021 by the outgoing Director

It is with a touch of sadness but with great pride that I present the Annual Report of the IOPC Funds for the last time, as I look back on the work and activities of the Funds in 2021 and my final year as Director of this unique and successful organisation.



During 2021, the COVID-19 pandemic continued to present significant challenges across the globe. For the IOPC Funds, it led to three further remote meetings of its governing bodies and extended periods of remote working for the Secretariat. However, the output of the organisation was largely unaffected, with payments of compensation continuing to be made and new practices being adopted to ensure engagement with Member and non-Member States was maintained and the promotion of the international liability and compensation regime was upheld. The 1992 Fund welcomed a new Member State, Nauru, in March and a further two States, San Marino and Costa Rica, acceded to the 1992 Fund Convention in April and May respectively.

A new incident in Israel was reported to the 1992 Fund in early February 2021 and treated as a priority, with an expert sent to the location of the spill and close cooperation with the Israeli authorities from the outset. In July the 1992 Fund Executive Committee decided that the 1992 Civil Liability and Fund Conventions would apply and authorised me to make compensation payments for admissible claims arising out of the incident. There were also developments in a number of other open cases involving the IOPC Funds, including some incidents with longstanding issues which have moved closer to resolution.

The receipt of oil reports and the payment of contributions continued to prove to be a highly successful and reliable system in 2021, with only an extremely small percentage of States failing to submit their reports and an even smaller number of oil receivers failing to pay their due contributions. Nevertheless, the Secretariat began to explore ways aimed at achieving 100% submission and payment in the future.

Staff were able to safely return to the office for a brief trial of the 'new normal' in the latter part of 2021, during which, following the introduction of flexible

work guidelines and a revised working from home (WFH) policy, the Secretariat was able to demonstrate both continued efficiency and dedication to their work whilst enjoying an improved work-life-balance. Whilst it was disappointing not to have been able to hold my last meeting, the November sessions of the governing bodies, in London and to see delegations in person, I was extremely pleased with the delivery of the event and in particular the smooth running of the election for my successor. I am delighted to be handing over to the former Chair of the 1992 Fund Assembly and long-standing delegate and friend, Gaute Sivertsen, who I know will steer the organisation skilfully and safely into the future.

I consider it a true privilege to have served the IOPC Funds as Director for ten years and to have also worked for the IOPC Funds in various capacities for another 15 years prior to that. I take this opportunity to thank my colleagues at the Secretariat, the Chairs of the governing bodies, the Audit Body and Investment Advisory Body members over the years, the Member States, IMO, the P&I Clubs and all others who have contributed to the success of the organisation and provided support during my tenure as Director. I say a fond farewell to the IOPC Funds but will be very pleased to watch from the side-lines as it continues the important work of compensating victims of oil spills in the years to come.

José Maura
Outgoing Director

15
years with the
Claims Department
+10
years as IOPC
Funds Director



I am delighted to be handing over to the former Chair of the 1992 Fund Assembly and long-standing delegate and friend, Gaute Sivertsen, who I know will steer the organisation skilfully and safely into the future."

Looking ahead

Whilst I am used to saying a few words in the IOPC Funds Annual Report, reflecting on the previous year's work from the perspective of Chair of the 1992 Fund Assembly, this is the first time that I have the opportunity to write in my capacity as newly appointed Director of the organisation.



In my role as representative of the Norwegian delegation, the work of the IOPC Funds formed part of my responsibilities for many years.

I have always had great respect for the work of the organisation and have valued very highly the role it plays in the international maritime community. Chairing the 1992 Fund Executive Committee and later the Assembly, were both positions which I felt extremely proud and privileged to hold. Having now been elected to lead the organisation as Director, I feel particularly honoured and am very grateful for the trust the Member States have bestowed upon me.

I would like to thank the outgoing Director, José Maura, for the fantastic job he carried out over the past 10 years. I can begin my term of office safe in the knowledge that I am inheriting a very competent organisation and a very skilled and professional Secretariat. Having sat alongside José at IOPC Funds meetings, I have benefited from his cooperation and experience during my time as Chair. **I know the importance of such strong cooperation between the Chairing team and the Director and look forward to creating that same dynamic with the current Chairs of the governing bodies.**

Looking ahead into 2022, I hope to have the opportunity to hold in person meetings again, but whatever the circumstances allow for, I am determined to engage at the earliest opportunity and regularly thereafter with the Member States, industry and other stakeholders, on how best to proceed on the issues facing the organisation.

During the election, I promised to serve the Member States and victims of oil pollution, to defend the Funds' interests and to adapt to changing needs. That is a promise I intend to keep and will indeed start delivering on in the year ahead.

Gaute Sivertsen
Director

30

years representing
Norway at IOPC
Funds meetings

10

years as 1992 Fund
Assembly Chair

5

Appointed for
years in office
as Director from
January 2022

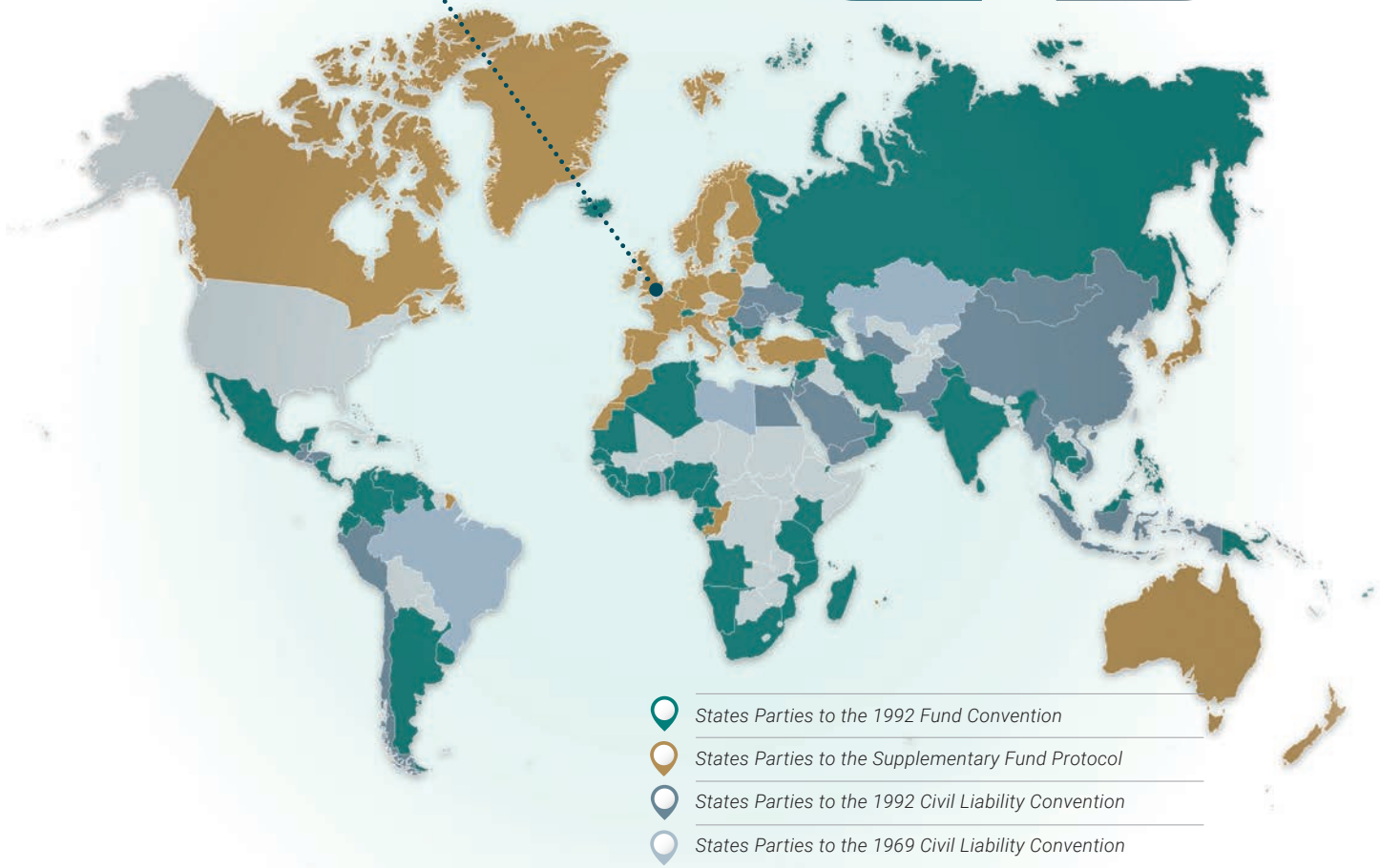
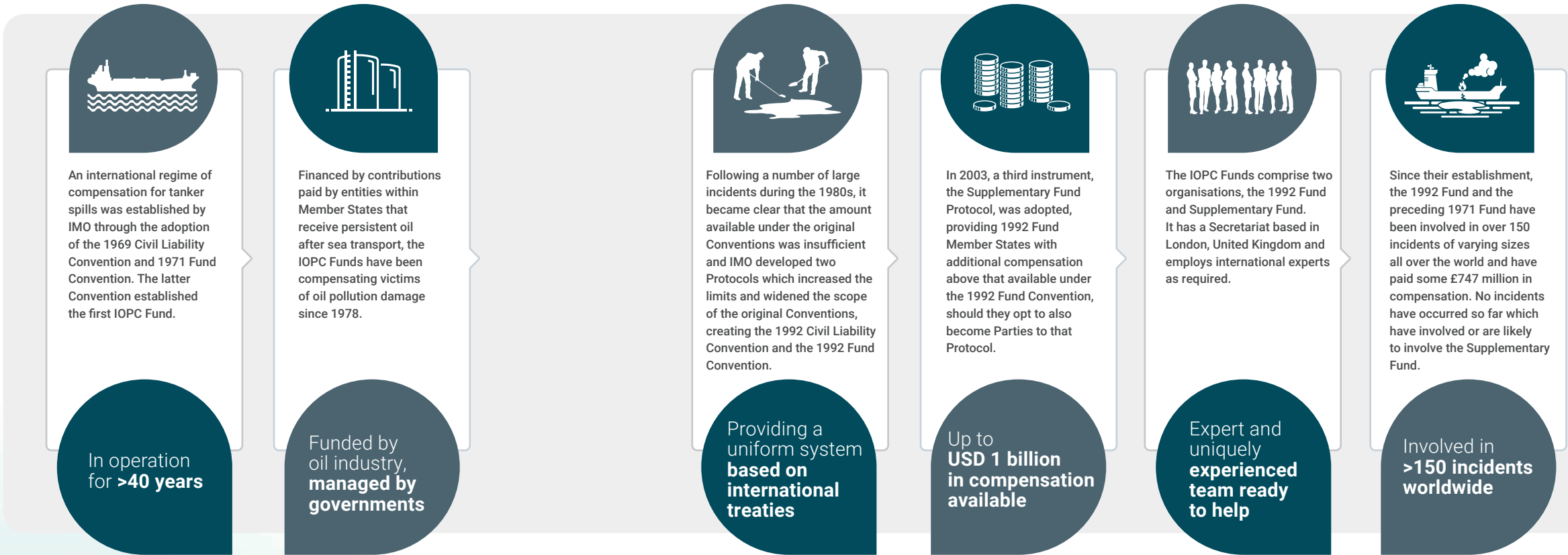


I am determined to engage at the earliest opportunity and regularly thereafter with the Member States, industry and other stakeholders, on how best to proceed on the issues facing the organisation."

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.

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.



32 MEMBER STATES OF THE SUPPLEMENTARY FUND		120 MEMBER STATES OF THE 1992 FUND			
Australia	Latvia	Albania	Ecuador	Malta	Samoa
Barbados	Lithuania	Algeria	Estonia	Marshall Islands	San Marino (from 19.05.2022)
Belgium	Montenegro	Angola	Fiji	Mauritania	Senegal
Canada	Morocco	Antigua and Barbuda	Finland	Mauritius	Serbia
Congo (the)	Netherlands	Argentina	France	Mexico	Seychelles
Croatia	New Zealand	Australia	Gabon	Monaco	Sierra Leone
Denmark	Norway	Bahamas	Gambia (the)	Montenegro	Singapore
Estonia	Poland	Bahrain	Georgia	Morocco	Slovakia
Finland	Portugal	Barbados	Germany	Mozambique	Slovenia
France	Republic of Korea	Belgium	Ghana	Namibia	South Africa
Germany	Slovakia	Belize	Greece	Nauru	Spain
Greece	Slovenia	Benin	Grenada	Netherlands (Kingdom of the Netherlands)	Sri Lanka
Hungary	Spain	Brunei Darussalam	Guinea	New Zealand	Sweden
Ireland	Sweden	Bulgaria	Guyana	Nicaragua	Switzerland
Italy	Turkey	Cabo Verde	Hungary	Nigeria	Syrian Arab Republic
Japan	United Kingdom	Cambodia	Iceland	Thailand	Tonga
		Cameroon	India	Tuvalu	Trinidad and Tobago
		Canada	Iran (Islamic Republic of)	United Arab Emirates	Tunisia
		China*	Ireland	United Kingdom	Turkey
		Colombia	Israel	United Republic of Tanzania	Uruguay
		Comoros	Italy	Vanuatu	Venezuela (Bolivarian Republic of)
		Congo (the)	Jamaica		
		Cook Islands	Japan		
		Costa Rica (from 19.04.2022)	Kenya		
		Côte d'Ivoire	Kiribati		
		Croatia	Latvia		
		Cyprus	Liberia		
		Denmark	Lithuania		
		Djibouti	Luxembourg		
		Dominica	Madagascar		
		Dominican Republic	Malaysia		
			Maldives		

Legal Framework

The international liability and compensation regime is currently based on:

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

- 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); and

LAYER
3

- the Protocol of 2003 to the 1992 Fund Convention (Supplementary Fund Protocol).

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.

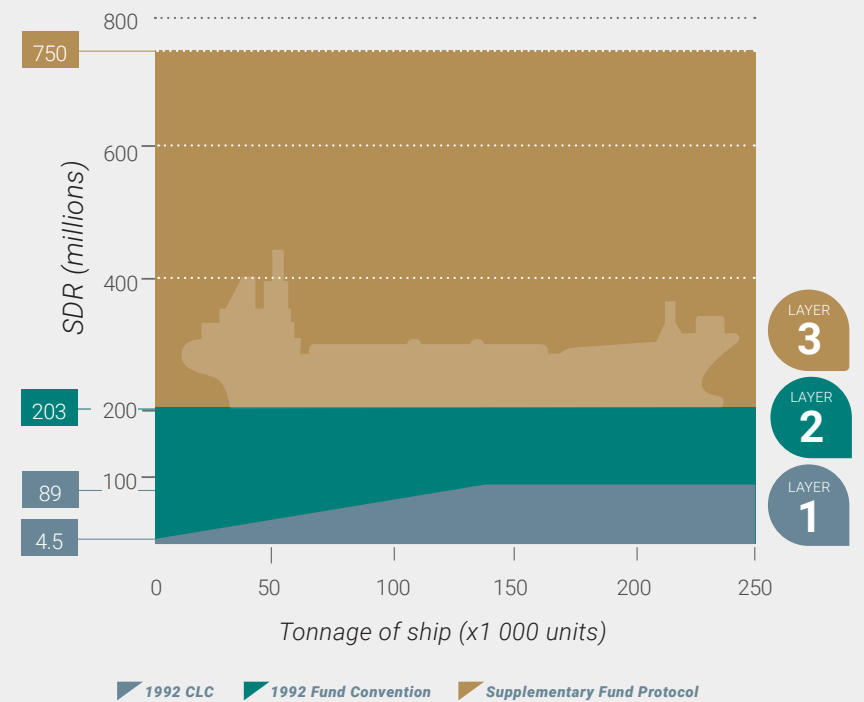


* The unit of account in the Conventions is the Special Drawing Right (SDR) as defined by the International Monetary Fund.



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
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.

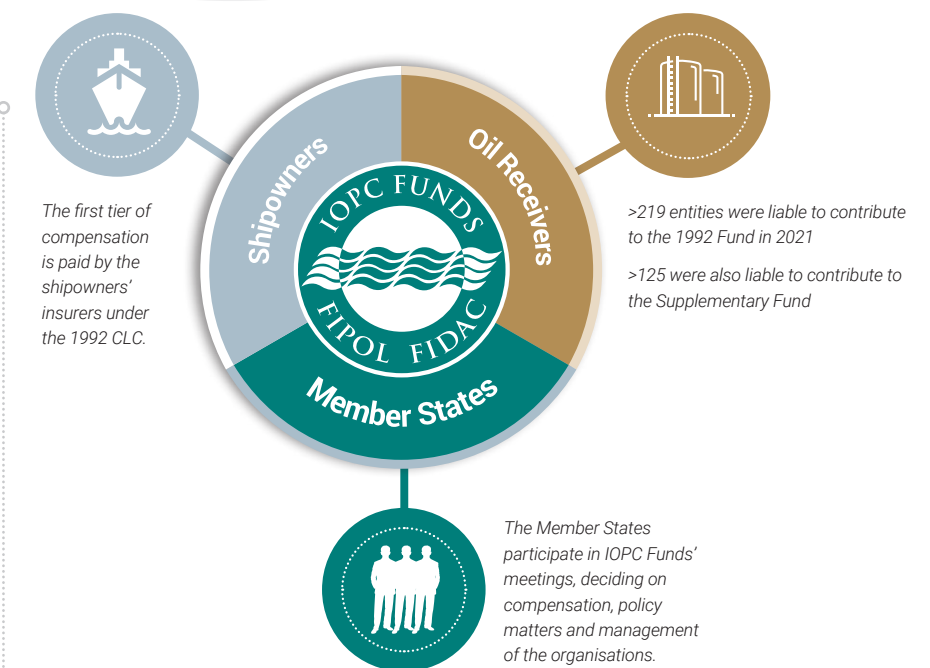
LAYER
2

1992 Fund Convention

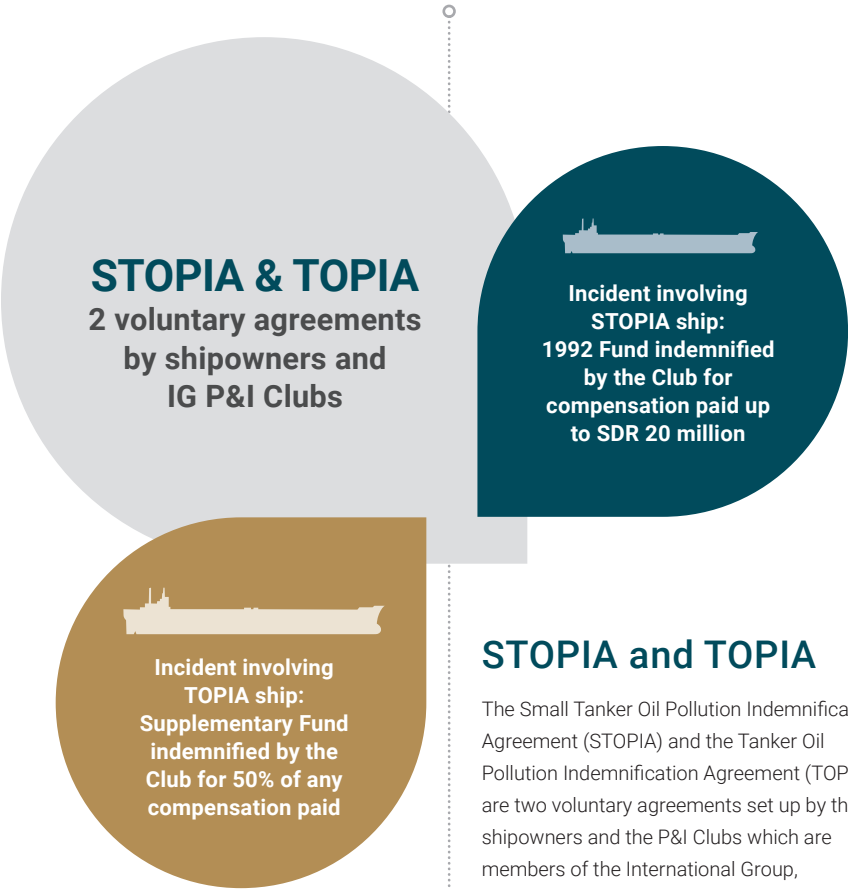
The International Oil Pollution Compensation Fund, 1992 (1992 Fund) was set up under the 1992 Fund Convention and is financed by the oil industry and managed by governments.

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.



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.

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.

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.

States that remain Party to the 1969 CLC only
Brazil
Equatorial Guinea
Kazakhstan
Libya
Sao Tomé and Príncipe



New Member State

The Republic of Nauru became a 1992 Fund Member State in March 2021. Instruments of accession to the 1992 Civil Liability and Fund Conventions were deposited on 23 March 2020 and in the event of a major tanker incident polluting the Pacific island's coastline, the 1992 Fund will now be able to provide compensation to those affected under the international liability and compensation regime. On the same day, Nauru, the third smallest country in the world, also acceded to a number of other IMO Conventions covering liability and compensation for damage caused by ships and the prevention of marine pollution.

The Director is delighted to welcome Nauru, one of the last United Nations Pacific Small Island Developing States to join the organisation. He looks forward to Nauru's participation in meetings and contribution to the work of the IOPC Funds in the future.

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18	Compensation and Claims Management
22	Incidents Involving the IOPC Funds
28	Oil Reporting and Contributions
36	External Relations
40	The 2010 HNS Convention

Operational Review

Secretariat

The 1992 Fund and the Supplementary Fund share a joint Secretariat, consisting of 24 staff members as at February 2022. 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 Secretariat is divided into four departments, namely: the Claims Department; the Finance and Administration Department; the External Relations and Conference Department; and, since March 2021, the Information Technology Department, the functions of which had previously belonged to the Finance and Administration Department. The Director’s Office sits outside the departmental structure. The Director is assisted by a Management Team, comprising the Deputy Director and the Heads of each Department.

IOPC FUNDS’ SECRETARIAT AS OF FEBRUARY 2022

DIRECTOR’S OFFICE



Gaute Sivertsen
Director
from 1 January 2022



María Basíllico
Executive Assistant

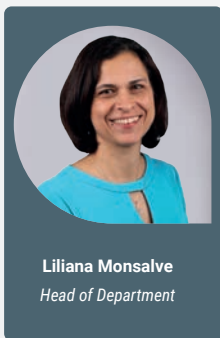


Yuji Okugawa
Policy Officer

HOW CAN I APPLY FOR A POST WITH THE SECRETARIAT?

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.

CLAIMS DEPARTMENT



Liliana Monsalve
Head of Department



Chiara Della Mea
Claims Manager



Mark Homan
Claims Manager



Ana Cuesta
Claims Manager



Chrystelle Collier
Claims Administrator

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.

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.

FINANCE & ADMINISTRATION DEPARTMENT



Ranjit Pillai
Deputy Director/
Head of Department



Julia Shaw
Human Resources
Manager



Claire Montgomery
Finance Manager



Elisabeth Galobardes
Finance Assistant



Marina Singh
Finance Assistant

Vacant Post
Finance Assistant

Vacant Post
Oil Reporting
Administrator



DO YOU OFFER INTERNSHIPS?

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.

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

INFORMATION TECHNOLOGY DEPARTMENT



Robert Owen
Head of Department



Stuart Colman
IT Officer



Paul Davis
IT/Office Administrator

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.

Commentary on the joint Secretariat expenditure is provided in Annex I of the 1992 Fund's Financial Statements, which can be found in the 2020 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 2021 are provided under the Financial Review section of this Annual Report (pages 54-58).

Joint Secretariat expenditure	2021 unaudited £	2020 audited £	2019 audited £
Expenditure	3 961 283	3 934 204	4 235 316
Budget	4 708 287	4 875 731	4 692 577
Expenditure as % of budget	84%	81%	90%
External audit fees			
1992 Fund	53 600	53 600	43 200
Supplementary Fund	4 400	4 400	3 200
Management fees received by 1992 Fund from Supplementary Fund	36 000	38 000	36 000



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 54-58).

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 2021, 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. In addition to their core tasks, in 2021 the Audit Body members continued the work commenced by their predecessors to explore 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.

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.

The current Audit Body consists of the following six members, who were elected by the governing bodies in December 2020 for a period of three years:

Mr Alfred H.E. Popp, CM, Q.C. (Canada)
Mrs Birgit Sølling Olsen (Denmark) (Chair)Mr Arnold Rondeau (France)
Mr Vatsalya Saxena (India) (Vice-Chair)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. Mr Knight had served on the Audit Body for ten years and at the November 2021 sessions of the governing bodies, the Director, Chair of the Audit Body and the Member States took the opportunity to thank Mr Knight and express their appreciation for his contribution to the work of the organisations.

The new external expert of the joint Audit Body, Mrs Alison Baker, was appointed in November 2021 for a three-year term commencing 1 January 2022.



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

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).

1

WHO CAN CLAIM?

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

2

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, or make formal notification to the 1992 Fund of a court action against the shipowner or their insurer within the three-year period. 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.

3

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).

4

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.

5

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:



6

HOW ARE CLAIMS SETTLED?

The IOPC Funds endeavour 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.

HELPFUL RESOURCES

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



Compensation and Claims Management

The process in brief



For further information please visit the website: www.iopcfunds.org



The IOPC Funds are two intergovernmental organisations (the 1992 Fund and the Supplementary Fund) which provide compensation for oil pollution damage resulting from spills of persistent oil from tankers.

Compensation and Claims Management

The process
in brief



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 2021 and the position taken by the governing bodies in respect of claims is set out here.

New incidents

Ship	MT Harcourt
Date of incident	02.11.2020
Place of incident	Benin river, Delta State, Nigeria
Cause of incident	Explosion from oil leaked into ballast tank
Quantity of oil spilled	Unknown but estimated to be approximately 31 barrels (4.2 tonnes)
Area affected	Oil reportedly contained within side channel where vessel moored
Flag State of ship	Marshall Islands
Gross tonnage	26 218 GT
P&I Insurer	West of England P&I Club

MT HARCOURT (NIGERIA, NOVEMBER 2020)

The oil storage tanker *MT Harcourt*, moored alongside the Elcrest Terminal in the Gbetiokun oil field, Delta State, Nigeria, suffered an explosion in a ballast water tank on 2 November 2020. Approximately 31 barrels of crude oil were reported to have spilled. There were no casualties.

Booms were placed around the vessel and across the entrance of the side channel in which the *MT Harcourt* was moored. Cargo from the adjacent tank was moved to other tanks to avoid loss into the ballast tank, which was at that point open to the river. The insurer, the West of England P&I Club, mobilised surveyors to attend on board for the duration of the cargo discharge operations to other vessels. The surveyors also monitored the boom placement and were satisfied that the clean-up operations organised by the Terminal were ultimately wholly successful.

A representative of 12 riverine communities alleged to have been affected filed a claim against the shipowner and Master, in the Federal High Court, Warri, Nigeria. The P&I Club instructed experts to take water samples of the allegedly affected areas for comparison with the ship's oil cargo. No trace of the oil cargo was found in the water samples.

The P&I Club notified the 1992 Fund of the incident and has filed a defence. The P&I Club has also indicated that it does not expect to make interim payments. Furthermore, the owner of the *MT Harcourt* is a party to STOPIA 2006 (as amended 2017) whereby the limitation amount applicable to the tanker is increased, on a voluntary basis to SDR 20 million. It is unlikely that the amount of compensation payable in respect of this incident will exceed that amount and as a result, that the 1992 Fund will be called upon to pay compensation.

Ship	Unknown
Date of incident	17.02.2021 (date of the oil reaching the shoreline)
Place of incident	Israeli EEZ (presumed)
Cause of incident	Unknown (presumed to be crude oil washing)
Quantity of oil spilled	Unknown
Area affected	Israeli coastline (approximately 170 km) with tar balls
Flag State of ship	Unknown
Gross tonnage	Unknown
P&I Insurer	Unknown

INCIDENT IN ISRAEL (ISRAEL, FEBRUARY 2021)

In February 2021, the Government of Israel contacted the 1992 Fund requesting assistance with a mystery spill, which resulted in tar balls being washed up along the Israeli coastline. The Israeli Ministry of Environmental Protection organised a full response to the spill and an investigation was undertaken to identify the source.

Analyses of samples collected from the polluted site confirmed that they were of crude oil which had originated from a single source. As there were no offshore platforms or pipelines in the area, experts concluded that the only possible source was a tanker carrying crude oil. Following its investigation, the Government of Israel identified only one tanker that it considered likely to be responsible for the spill. However, there was insufficient proof to establish that it was that specific tanker that had caused the pollution.

The 1992 Fund Convention applies to spills of persistent oil even if the ship from which the oil is released cannot be identified, provided it is shown that the oil originated from a ship as defined in the 1992 Civil Liability Convention (CLC). With this in mind, the Executive Committee decided, in July 2021, that the 1992 Civil Liability and Fund Conventions would apply to this incident and authorised the Director to make compensation payments for admissible claims. As at 31 December 2021, one claim had been submitted for the amount of ILS 79 304 (£19 000). Initial estimates of the cost of the response to the oil spill are in the region of ILS 55 million (£12.2 million) and claims for the cost of the response are expected to be submitted in the first quarter of 2022. Additional claims for economic losses are expected. The total amount available for compensation under the 1992 Conventions is ILS 943 024 320.



Ongoing Incidents

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

BOW JUBAIL (NETHERLANDS, JUNE 2018)

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

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

In December 2021, the 1992 Fund was admitted as an interested party in the proceedings. Legal actions have been brought by several claimants before the District Court in Rotterdam against the shipowner, its insurer and other parties.

The 1992 Fund has been notified or included as a defendant in some of the actions, in case the 1992 Civil Liability and Fund Conventions were to apply to this incident. The 1992 Fund has requested a stay of the proceedings until such time as the Supreme Court renders its decision on whether the Bunkers Convention 2001 or the 1992 CLC apply.

£747m

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



Ship	<i>Agia Zoni II</i>
Date of incident	10.09.2017
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

EUR 14 928 040

Compensation paid
by 1992 Fund as at
31.12.2021

AGIA ZONI II (GREECE, SEPTEMBER 2017)

The three-year time-bar period for this incident expired in September 2020.

It was reported to the November 2021 session of the 1992 Fund Executive Committee that, in total, the 1992 Fund had received 423 claims amounting to EUR 99.89 million and USD 175 000 and had made compensation payments totalling some EUR 14.93 million in respect of this incident.

The 1992 Fund had been served with legal proceedings totalling over EUR 80 million, filed at the Piraeus Court of First Instance by over 60 claimants in the clean-up, tourism, and fisheries sectors. The Greek State also served the 1992 Fund with legal proceedings.

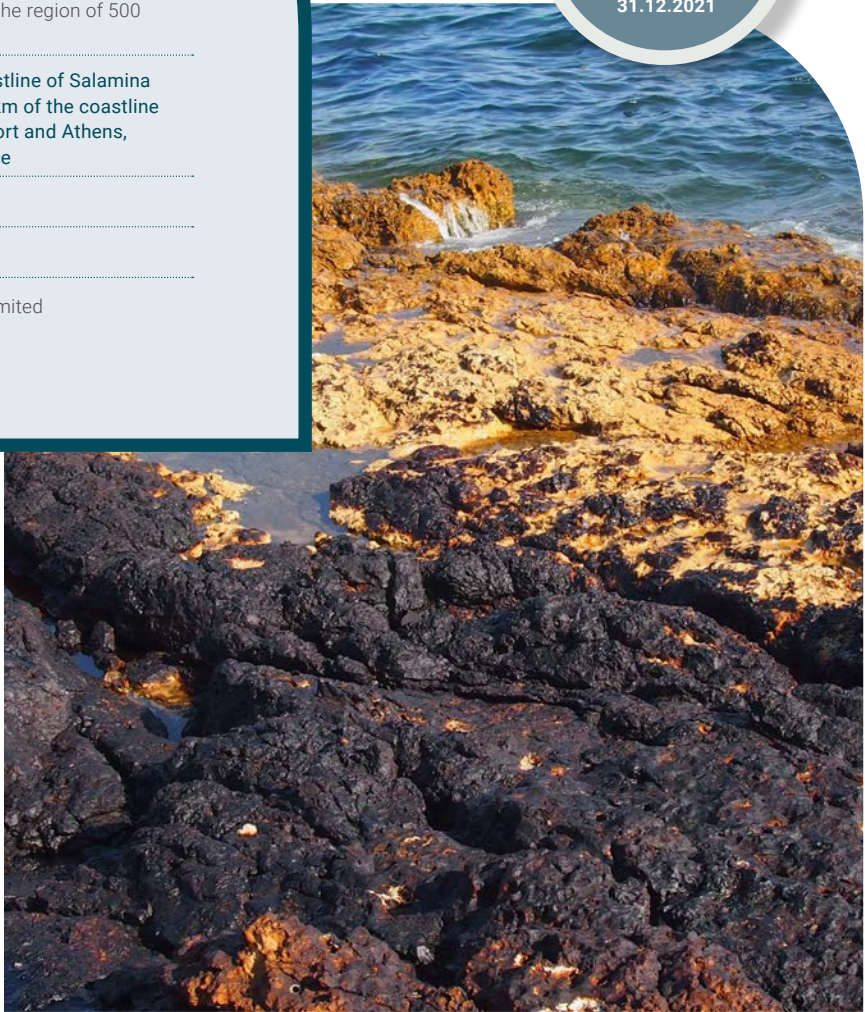
Several investigations into the cause of the incident have been carried out; one of them concluded that the incident occurred as a result of an explosion. A separate investigation, for the Public Prosecutor, concluded that the sinking had been caused by the opening of the seawater ballast valves which could only have done from on board the vessel. It considered that the incident 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.

In June 2021, the 1992 Fund's lawyers and a number of other parties were summoned and questioned by the Public Prosecutor investigating the cause of the incident, to answer questions dealing with the procedure followed for the payment of claims, with emphasis on the clean-up contractors' claims. As at 31 December 2021, the results of the investigations were still awaited.

The 1992 Fund's lawyers have advised that claims filed by a party that had intentionally caused the pollution in order to benefit from the right to claim compensation, would be considered an abuse by the Greek courts under the provisions of Greek legislation.

However, the lawyers have advised that the burden of proof would rest upon the 1992 Fund 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.



HEBEI SPIRIT
(REPUBLIC OF KOREA, DECEMBER 2007)



KRW 182 242 088 000

Compensation paid
by 1992 Fund as at
31.12.2021

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 the Republic of Korea, the ship's insurer, Assuranceforeningen Skuld (Gjensidig) (Skuld Club) and the IOPC Funds, all admissible claims for this incident have been finalised by either mediation or judgment and a total of KRW 432.9 billion has been awarded.

All legal proceedings related to the incident were finalised in September 2019. In February 2021, the Samsung Heavy Industries Co., Ltd (SHI) Limitation Court issued a decision on the distribution of the SHI limitation fund and granted the 1992 Fund KRW 3 271 486 069 (£2.2 million). That amount was paid to the 1992 Fund in June 2021.

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 and is now due to take place in 2022.

INCIDENTS
INVOLVING THE
SUPPLEMENTARY FUND

As at 31 December 2021,
there have been no incidents
involving, or likely to involve,
the Supplementary Fund.

List of open 1992 Fund incidents as at 31 December 2021

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</i> (formerly Incident in Canada)	Canada	2016
<i>Agia Zoni II</i>	Greece	2017
<i>Bow Jubail</i>	The Netherlands	2018
<i>MT Harcourt</i>	Nigeria	2020
Incident in Israel	Israel	2021

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 enclosed. 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.

62
TERRITORIES
each reported over
150 000 tonnes

ALMOST
>1.3
billion
tonnes of contributing
oil received in 2020

39
TERRITORIES
did not receive
contributing oil



?

WHAT IS CONTRIBUTING OIL?

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.

?

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

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.

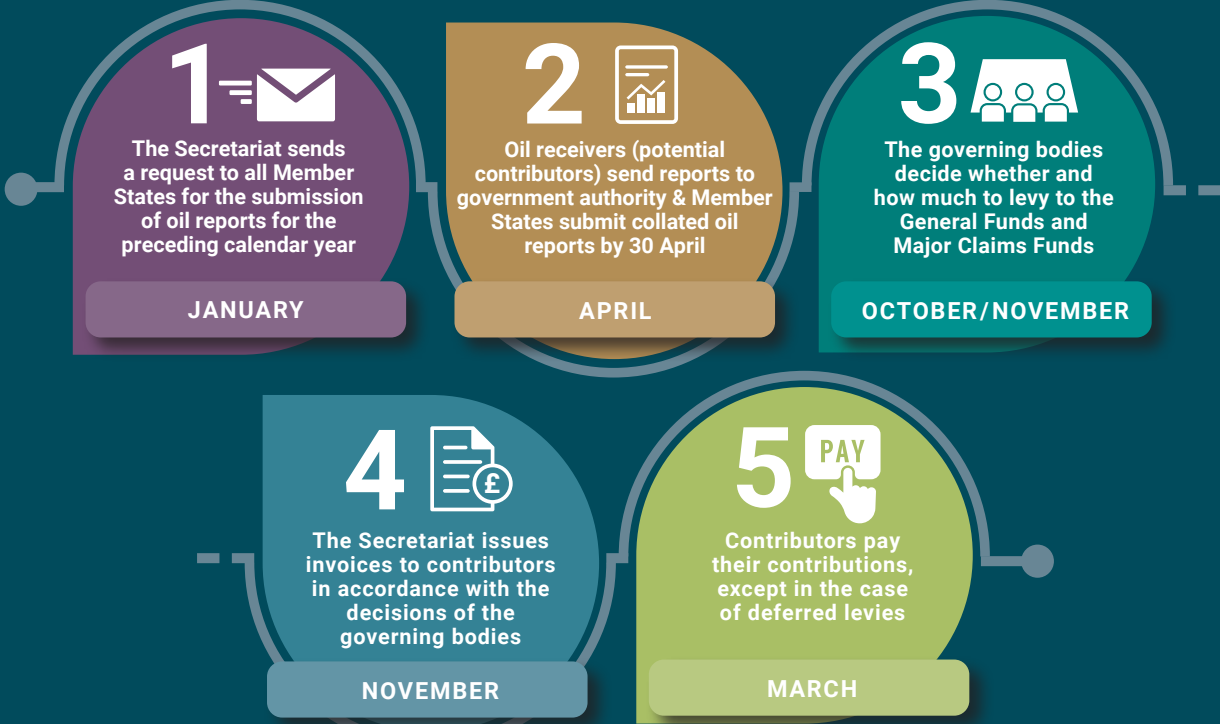
?

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

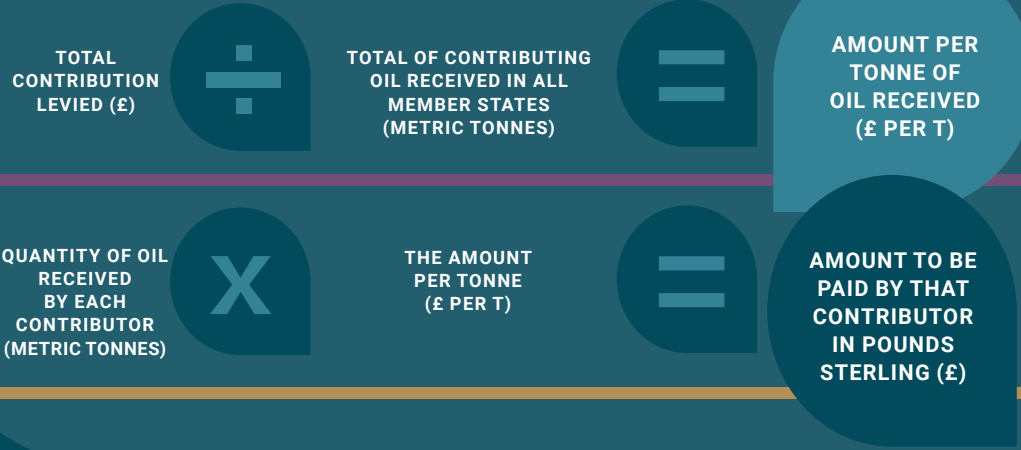
If there are no entities in a 1992 Fund Member State that receive more than 150 000 tonnes of contributing oil in a year, the State must still inform the Fund by submitting a nil report. The State will have financial protection for any tanker spills but would not have to make any contributions. If that State is also a Member of the Supplementary Fund, the State will pay contributions as if it had received one million tonnes.

Oil Reporting and Contributions

The process in brief



Calculation of contributions



For further information please visit the website: www.iopcfunds.org



The IOPC Funds are funded by the oil industry and managed by governments.

Oil Reporting and Contributions

The process
in brief



1992 Fund

At the November 2021 sessions of the governing bodies, the 1992 Fund Assembly decided to levy contributions to the General Fund of £12.2 million, payable by 1 March 2022. It also decided to levy contributions to the Incident in Israel Major Claims Fund of £8 million, with £4 million to be payable by 1 March 2022 and £4 million to be deferred. The 1992 Fund Assembly also decided not to levy contributions to the *Prestige*, *Hebei Spirit*, *Alfa I*, *Nesa R3*, or *Agia Zoni II* Major Claims Funds.

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 2020 (AS REPORTED BY 31 DECEMBER 2021)

- India 15%
- Japan 11%
- Republic of Korea 10%
- Kingdom of the Netherlands 7%
- Italy 7%
- Singapore 6%
- Spain 5%
- Thailand 3%
- United Kingdom 3%
- Canada 3%
- Others 30%

Contributing oil received in the calendar year 2020 in the territories of States which were Members of the 1992 Fund on 31 December 2021

MEMBER STATE	CONTRIBUTING OIL RECEIVED IN 2020 (TONNES)	% OF TOTAL
India	203 779 950	15.30%
Japan	152 509 343	11.45%
Republic of Korea	137 006 834	10.29%
Netherlands *. **	98 276 422	7.38%
Italy	92 558 220	6.95%
Singapore	78 901 008	5.92%
Spain	60 261 920	4.52%
Thailand	46 278 921	3.47%
United Kingdom	43 403 585	3.26%
Canada	43 342 819	3.25%
France	36 360 115	2.73%
Turkey	31 160 472	2.34%
Greece	27 240 087	2.05%
Germany	23 976 357	1.80%
United Arab Emirates	23 851 152	1.79%
Sweden	22 060 398	1.66%
Malaysia	20 272 046	1.52%
Australia	16 200 403	1.22%
South Africa	13 834 522	1.04%
Israel	13 203 576	0.99%
Finland	11 696 377	0.88%
Portugal	11 215 139	0.84%
Poland	10 508 565	0.79%
Iran (Islamic Republic of)	9 915 187	0.74%
Norway	8 722 824	0.66%
Brunei Darussalam	8 113 420	0.61%
Lithuania	7 851 275	0.59%
Croatia	6 610 370	0.50%
Denmark	6 570 140	0.49%
Bahamas	5 732 634	0.43%
China ***	5 536 106	0.42%
Philippines	5 507 121	0.41%
Argentina	5 364 372	0.40%
Bulgaria	4 858 291	0.36%

MEMBER STATE	CONTRIBUTING OIL RECEIVED IN 2020 (TONNES)	% OF TOTAL
New Zealand	3 987 735	0.30%
Saint Lucia	3 213 886	0.24%
Belgium	2 887 103	0.22%
Ireland	2 820 039	0.21%
Côte d'Ivoire	2 723 774	0.20%
Estonia	2 369 659	0.18%
Angola	2 160 119	0.16%
Sri Lanka	2 019 619	0.15%
Uruguay	1 951 770	0.15%
Ecuador	1 744 402	0.13%
Malta	1 608 011	0.12%
Jamaica	1 556 617	0.12%
Mexico	1 532 177	0.12%
Tunisia	1 282 630	0.10%
Papua New Guinea	1 244 786	0.09%
Qatar	949 944	0.07%
Colombia	876 615	0.07%
Ghana	749 782	0.06%
Nicaragua	661 162	0.05%
Morocco	658 960	0.05%
Mauritius	646 061	0.05%
Cyprus	585 826	0.04%
Aruba (Kingdom of the Netherlands)*	209 332	0.02%
Guyana	174 711	0.01%
Antigua and Barbuda	163 428	0.01%
Barbados	159 671	0.01%
Madagascar	153 954	0.01%
United Republic of Tanzania	150 224	0.01%
Total	1 331 921 968	

* 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.

** A partial submission of 2020 reports was received from the Netherlands by 31 December 2021. The total tonnage has therefore been estimated.

*** The 1992 Fund Convention applies to the Hong Kong Special Administrative Region only.

India

India is the largest contributor to the 1992 Fund, reporting 15% of the total contributing oil received in 2020

No contributing oil was received during 2020 in the territories of the following 39 Member States:

Algeria, Benin, Cabo Verde, Cambodia, Congo (the), Cook Islands, Gabon, Gambia (the), Georgia, Grenada, Hungary, Iceland, Kenya, Kiribati, Latvia, Luxembourg, Maldives, Marshall Islands, Monaco, Montenegro, Mozambique, Namibia, Nigeria, Niue, Oman, Palau, Russian Federation, Saint Vincent and the Grenadines, Samoa, Serbia, Seychelles, Sierra Leone, Slovakia, Slovenia, Switzerland, Tonga, Trinidad and Tobago, Tuvalu, Vanuatu.

As at 31 December 2021, oil reports for the calendar year 2020 had not been received for the territories of 20 Member States:

Albania, Bahrain, Belize, Cameroon, Comoros, Curaçao (Kingdom of the Netherlands), Djibouti, Dominica, Dominican Republic, Fiji, Guinea, Liberia, Mauritania, Nauru, Panama, Saint Kitts and Nevis, 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, as at 31 December 2021, there were five Member States with outstanding reports for five or more years:

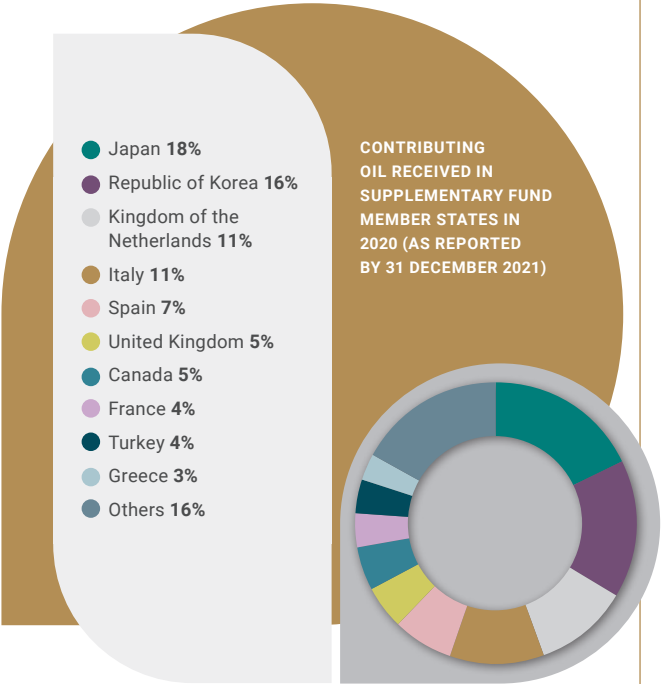
- Dominican Republic (22 years);
- Saint Lucia (11 years);
- Syrian Arab Republic (12 years);
- Albania (eight years) and
- Mauritania (five years).

The Dominican Republic made a submission in February 2022 which was being processed at the time of publication. Syrian Arab Republic have not submitted any reports to the 1992 Fund since becoming a Member State. 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 2020, eight States received less than the one million tonne and would have been invoiced if contributions had been levied.

At the November 2021 sessions of the governing bodies, the Supplementary Fund Assembly decided not to levy 2021 contributions, since there had been no incidents involving the Supplementary Fund.



Contributing oil received in the calendar year 2020 in the territories of States which were Members of the Supplementary Fund on 31 December 2021

MEMBER STATE	CONTRIBUTING OIL RECEIVED IN 2020 (TONNES)	% OF TOTAL
Japan	152 509 343	17.58%
Republic of Korea	137 006 834	15.79%
Netherlands	98 276 422	11.33%
Italy	92 558 220	10.67%
Spain	60 261 920	6.94%
United Kingdom	43 403 585	5.00%
Canada	43 342 819	4.99%
France	36 360 115	4.19%
Turkey	31 160 472	3.59%
Greece	27 240 087	3.14%
Germany	23 976 357	2.76%
Sweden	22 060 398	2.54%
Australia	16 200 403	1.87%
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Portugal	11 215 139	1.29%
Poland	10 508 565	1.21%
Norway	8 722 824	1.00%
Lithuania	7 851 275	0.90%
Croatia	6 610 370	0.76%
Denmark	6 570 140	0.76%
New Zealand	3 987 735	0.46%
Belgium	2 887 103	0.33%
Ireland	2 820 039	0.32%
Estonia	2 369 659	0.27%
Morocco	1 000 000	0.12%
Barbados	1 000 000	0.12%
Congo	1 000 000	0.12%
Hungary	1 000 000	0.12%
Latvia	1 000 000	0.12%
Montenegro	1 000 000	0.12%
Slovakia	1 000 000	0.12%
Slovenia	1 000 000	0.12%
Total	867 596 201	

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 2020 in the territories of the following six Member States, however, they are deemed to have received 1 000 000 tonnes for the purposes of contributions to the Supplementary Fund:

• The Congo • Hungary • Latvia

• Montenegro • Slovakia • Slovenia

Two Member States received less than 1 000 000 tonnes of contributing oil during 2020 but are deemed to have received 1 000 000 tonnes for the purposes of contributions to the Supplementary Fund. Contributors received 159 671 tonnes in Barbados and 658 960 tonnes in Morocco in 2020.

External Relations

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

What we do

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 the 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.



Induction Course

A half-day induction course aimed at providing delegates to IOPC Funds meetings of the governing bodies 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.



Online Short Course

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

IOPC Funds Short Course

The annual IOPC Funds Short Course was adapted in 2021 to facilitate an online course. Running three hours per day over two weeks in June, the course was attended by participants from 21 Member States of the 1992 Fund, representing maritime administrations, national coast guards, and others. Nine Member States participated in the course for the first time. Presentations were delivered by several members of the Secretariat, by each of the supporters of the course, as well as the North of England P&I Club. A virtual tour of the Lloyd's of London building was also included.

Main Activities in 2021



Due to the ongoing global pandemic and resulting restrictions on international travel in 2021, some activities were cancelled or postponed, including the IOPC Funds Induction Course, which is aimed at new delegates to meetings. However, the Secretariat was able to deliver the IOPC Funds Short Course online for the first time and participated in a number of activities remotely. Despite the circumstances, the organisation continued to deliver workshops, spread awareness of the international liability and compensation regime and maintain engagement with States and other partners, as outlined here.

18 January 2021

Participation in a training programme organised by the Quebec Ministry of Environment in collaboration with SOPF and Transport Canada.

3 February 2021

Delivery of webinar as part of the EUROWA-2 Project organised by Sea Alarm and in collaboration with ITOPF and OSRL.

8 March 2021

Participation in IMOGENder mentorship scheme for female students of the International Maritime Law Institute (IMLI).

10 March 2021

Participation in the Regional Meeting of National Experts on the Post-2021 Mediterranean Strategy for the Prevention of and Response to Marine Pollution from Ships organised by REMPEC.

20 April 2021

Participation in regional workshop organised by PEMSEA.

21 April 2021

Participation in the fourth meeting of MENELAS organised by REMPEC.

10 May 2021

Participation in the first, fully virtual International Oil Spill Conference (IOSC) 2021.

28 June 2021

Delivery of presentation for the Gambia in an online national workshop as part of the GI WACAF Project.

1 June 2021

Participation in the 14th Meeting of the Focal Points of REMPEC.

6 July 2021

Delivery of national workshop to Mexican Navy in cooperation with the International Group and ITOPF

16 August 2021

Delivery of two-day national workshop organised by the Ministry of Environment for Estonia.

6 September 2021

Delivery of three-day national workshop at the invitation of Maritime New Zealand.

13 September 2021

Participation in three-day regional workshop organised by PERGA.

16 September 2021

Delivery of national workshop at the invitation of the Ministry of Blue Economy, Marine Resources, Fisheries & Shipping of Mauritius.

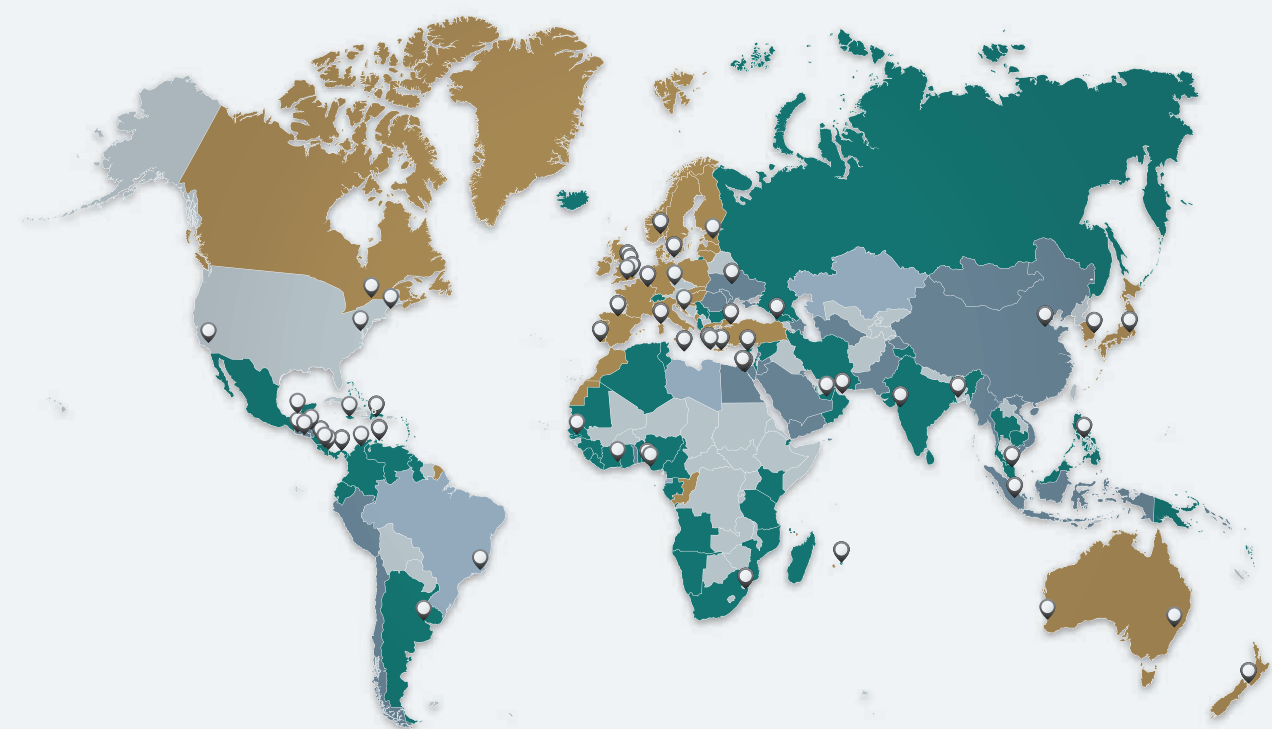
29 September 2021 and 13th October

Participation in webinar series organised by the GI WACAF Project.

14 October 2021

Participation in an online course organised by IIDM and CENNAVE for participants across Latin America.

Outreach activities delivered since 2017



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.



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



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.

Other Services



Available in
English, French
and Spanish

Website

• On the main website, you will 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 form for hard copies;
- access to the online reporting system (ORS).

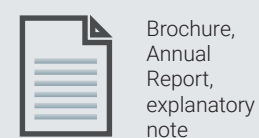
• Under the Document Services section, you will find:

- 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 register multiple meeting attendees more easily and submit credentials online.

New delegate of the IOPC Funds?

Here are some top tips:

WHAT WE DO IN BRIEF



Brochure, Annual Report, explanatory note



IOPC Funds' website



Introductory video

THE IOPC FUNDS IN DEPTH



Text of Conventions, Guidelines for Member States



Document Services section

STAY INFORMED



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FIND OUT MORE



Contact the Secretariat to arrange a meeting: externalrelations@iopcfunds.org



Sign up to the IOPC Funds Induction Course

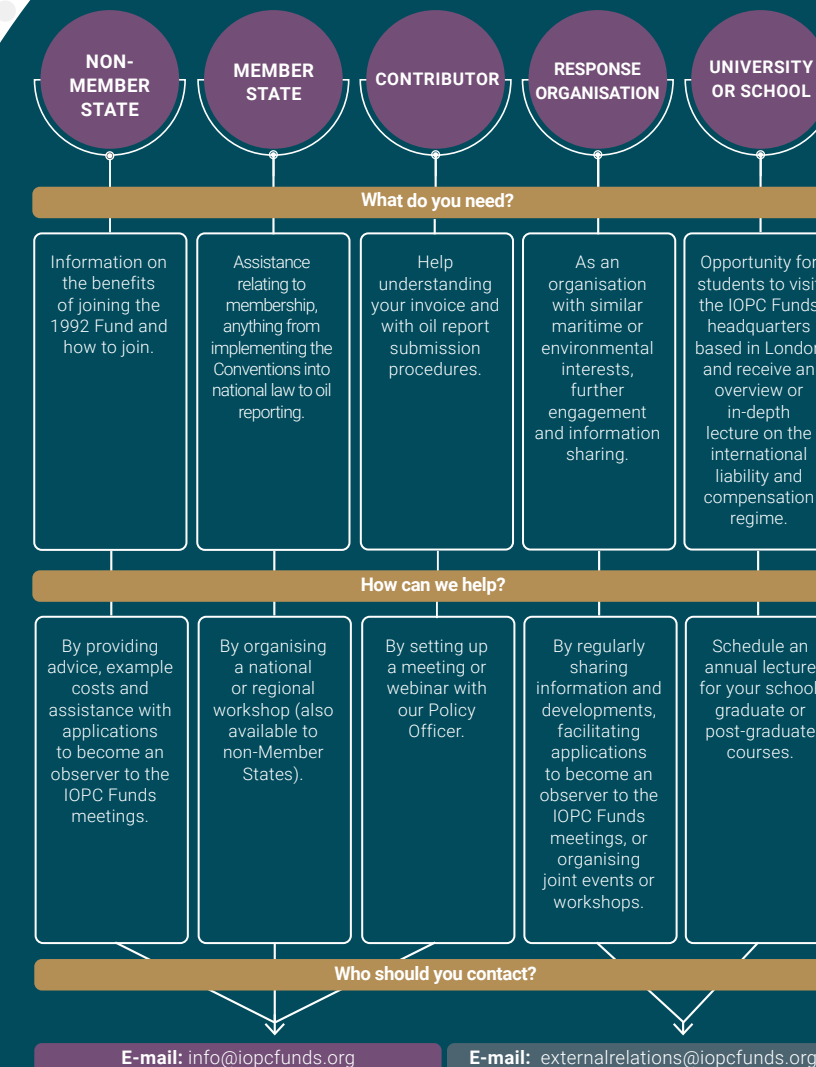


Short introductory video

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.

Want to learn more?

Contact us to organise a visit, event or activity with the Secretariat. We're here to help.



Publications

General



Overview Brochure



Annual Report



Text of Conventions



1992 Fund Financial Review



Supplementary Fund Financial Review

Guidance for Member States



Measures to facilitate the claims handling process

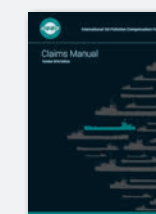


Management of fisheries closures and restrictions following an oil spill



Consideration of the definition of 'ship'

Claims information pack



Claims Manual



Guidelines for presenting claims in the fisheries, mariculture and fish processing sector



Guidelines for presenting claims for clean up and preventive measures



Guidelines for presenting claims for environmental damage

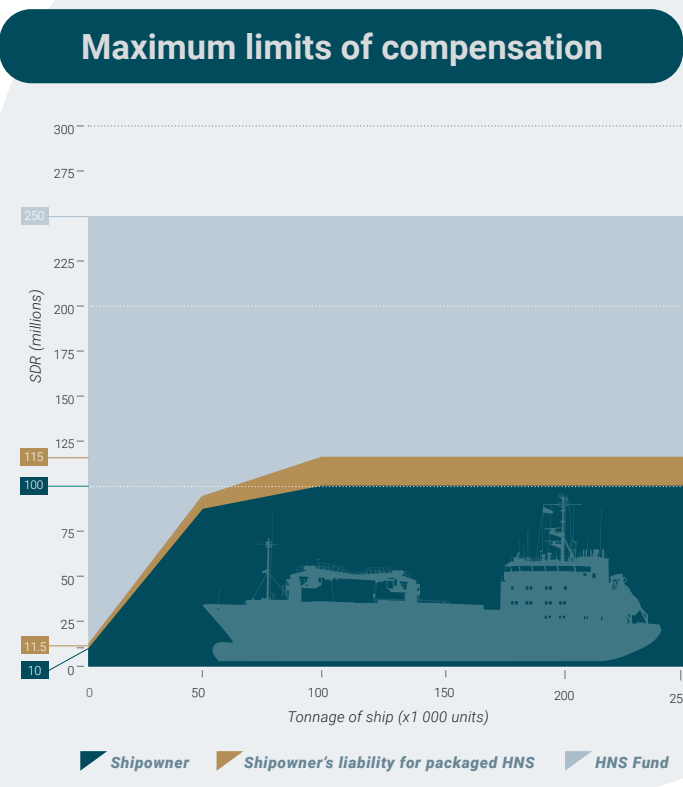
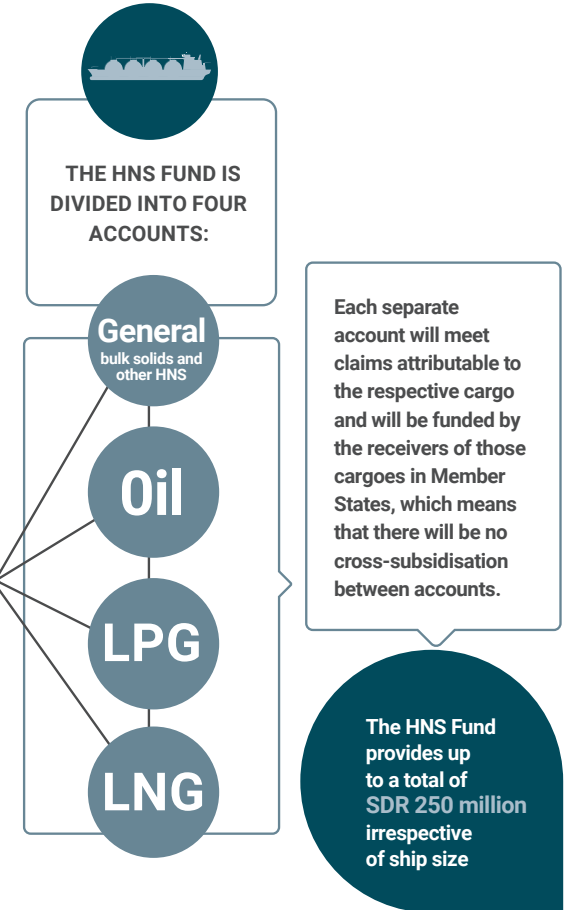
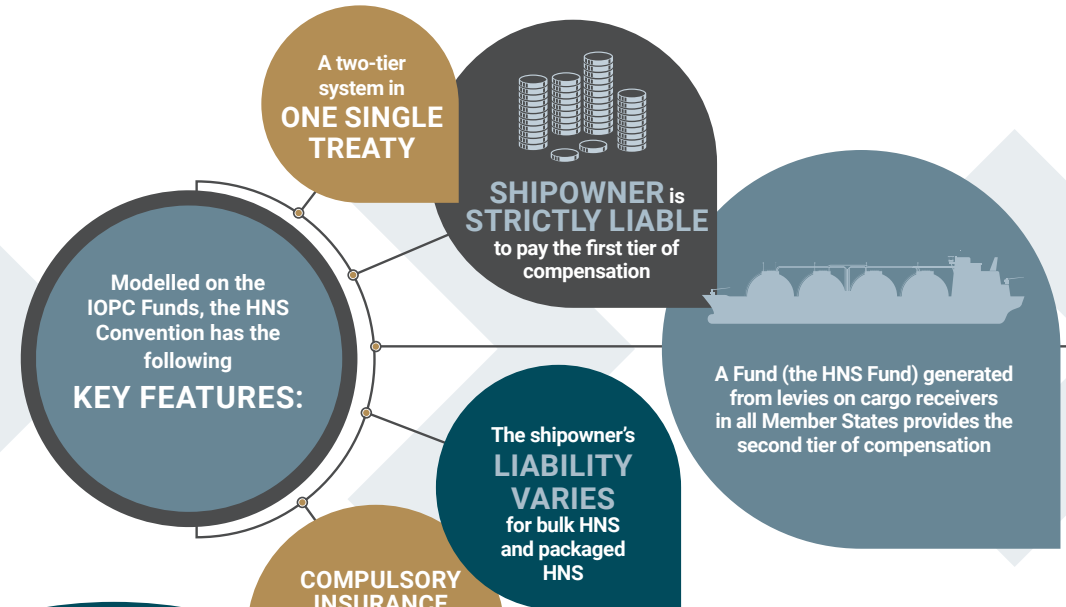


Example Claim Form

The 2010 HNS Convention

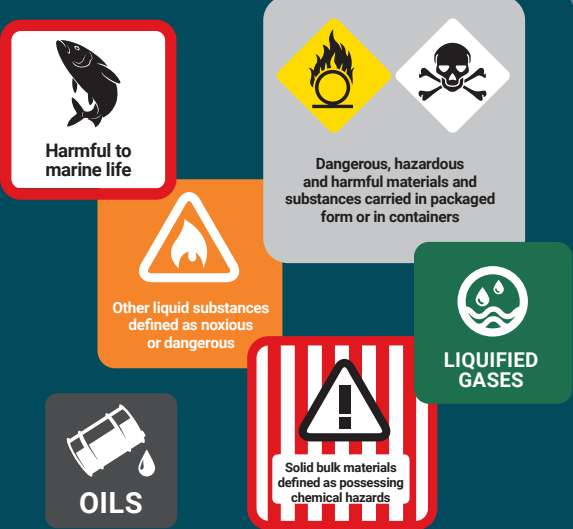
The International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea, 2010 (2010 HNS Convention) aims to ensure adequate, prompt and effective compensation for personal injury, damage to property, costs of clean-up and reinstatement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

Legal Framework



What are HNS?

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



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 each
- The general account's contributing cargo volume is at least 40 MILLION tonnes
- Estonia deposited an instrument of accession to the 2010 HNS Protocol on 10 January 2022

Status of Convention



Contracting States as at 1 February 2022:

- Canada
- Kingdom of Denmark
- Estonia
- 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 States who are making progress towards implementation of the HNS Convention, have provided updates to the IOPC Funds regarding the steps they are taking, including Belgium, France, Germany, the Netherlands and Republic of Korea. Details of progress was reported to the 1992 Fund Assembly at its November 2021 session and the Secretariat reiterated its availability to assist States with any implementation issues at that session.

Role of the IOPC Funds and work undertaken in 2021

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.



Want to check whether a substance should be reported or whether it is covered by the Convention?

Use the HNS Finder. It enables users to determine whether a substance is contributing cargo that must be reported and whether it qualifies for compensation under the Convention. It is updated annually by the 1992 Fund Secretariat. An archive facility was introduced in 2021 to provide users with access to previous years' lists of substances. It will be also be updated annually from now on and made available at the end of May every year, which corresponds to the submission deadline under the 2010 HNS Protocol.

Have a question or comment about the HNS Convention?

Use the HNS blog. A moderated blog section was incorporated into the site in 2019, allowing States and other interested stakeholders to share information, raise issues and ask questions. Any such questions receive a response from the Secretariat, and are posted online. All interested parties are urged to use this tool so that other interested stakeholders can also benefit and widen their knowledge of the subject.

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. It looks forward to providing support and assistance to initiatives from industry and States as it prepares for and promotes entry into force of the Convention. This includes highlighting the importance of the Convention at INTERSPILL in June 2022 and offering to contribute and support a workshop which Canada is seeking to organise during September 2022.

Assistance and engagement with States and industry

Given the relative complexity of the contributing cargo reporting obligations, IMO, with support from the IOPC Funds Secretariat, offers assistance to both new Contracting States and to those States considering acceding to the Convention, in verifying contributing cargo data and the accuracy of reports before they are submitted.

Whilst it was not possible to organise or participate in many events in person during 2021 as a consequence of the COVID-19 pandemic, the demand for online seminars and workshops increased. In that context, the Secretariat spent some time discussing the 2010 HNS Convention and its benefits at a regional workshop organised by the Regional organization for the conservation of the environment in the Red Sea and Gulf of Aden (PERSGA) in September 2021. It also delivered an online seminar for the Instituto Iberoamericano de Derecho Marítimo (IIDM) in Argentina and Centro de Navegación (CENNAVE) in Uruguay which was attended by participants from across Latin America, during which it took the opportunity to continue to widen awareness in the region of the HNS Convention. The Convention also forms an important element of the programme for the IOPC Funds annual Short Course, which was held in June 2021.

In November 2021, the IOPC Funds Secretariat, together with the International Group, was contact by the European Chemical Industry Council (Cefic) to clarify a number of queries the organisation had in respect of contribution matters. Cefic has expressed an interest in providing assistance and support to States in an effort to ensure reporting practices are implemented in a uniform manner across European States.

Preparations for entry into force

As it continues to advance its work on preparing for the entry into force of the Convention, the IOPC Funds Secretariat has formed an informal working group, together with the IMO Secretariat and a number of organisations with relevant expertise, to discuss the handling of claims related to HNS incidents and, in particular, the preparation of a draft Claims Manual. The group, which consists of the IOPC Funds, IMO, Cedre, ICS, the International Group of P&I Associations and ITOPF, met on a number of occasions in 2021 and will continue its work in 2022.

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Structure and Participation

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Sessions of the Governing Bodies in 2021

Governing Bodies

Structure and participation

STRUCTURE

1992 FUND ASSEMBLY (Administrative Council if no quorum)	1992 FUND EXECUTIVE COMMITTEE	SUPPLEMENTARY FUND ASSEMBLY (Administrative Council if no quorum)
Composition: All 1992 Fund Member States	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.	Composition: All Supplementary Fund Member States
Chair: Gaute Sivertsen (Norway) (MAR21) Ambassador Antonio Bandini (Italy) (JUL21, NOV21)	Chair: Gillian Grant (Canada)	Chair: Sungbum Kim (Republic of Korea)
First Vice-Chair: Tomotaka Fujita (Japan)	Vice-Chair: Kanagalingam Selvarasah (Malaysia) (MAR21, JUL21) Luisa Burgess (Ecuador) (NOV21)	First Vice-Chair: Andrew Angel (United Kingdom)
Second Vice-Chair: Aureny Aguirre O. Sunza (Mexico) (MAR21, JUL21) Sipho Mbatha (South Africa) (NOV21)	Frequency of meetings: Normally twice a year.	Second Vice-Chair: Emre Dinçer (Turkey)
Frequency of meetings: Normally twice a year. One regular session, every October/November. Additional extraordinary session in March/April, if required.	Role: Subsidiary body established by Assembly to take policy decisions on the admissibility of claims.	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; contributions; appointment of Director; External Auditor, adoption of internal and financial regulations, policy, etc.	<i>No State may serve on the Executive Committee for more than two consecutive terms.</i>	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.



PARTICIPATION

Representatives of 1992 Fund Member States, Supplementary Fund Member States and States and Organisations holding observer status with the IOPC Funds are invited to attend sessions of the IOPC Funds' governing bodies, which usually take place twice per year. The list of Member States as at February 2022 is provided on page 9.

All Member State representatives must submit a letter of credentials authorising them to participate in the meeting and must register online in advance of the sessions. More information on what to expect as a delegate is enclosed.

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 2021

• <i>Bolivia (Plurinational State of)</i>	• <i>San Marino (1992 Fund Member State as of 19.04.2022)</i>
• <i>Kuwait</i>	• <i>Egypt</i>
• <i>Brazil</i>	• <i>Saudi Arabia</i>
• <i>Lebanon</i>	• <i>Guatemala</i>
• <i>Chile</i>	• <i>Ukraine</i>
• <i>Pakistan</i>	• <i>Honduras</i>
• <i>Costa Rica (1992 Fund Member State as of 19.05.2022)</i>	• <i>United States</i>
• <i>Peru</i>	• <i>Indonesia</i>
• <i>Democratic People's Republic of Korea</i>	

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 with observer status as at 31 December 2021

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

Non-governmental organisations with observer status as at 31 December 2021

• <i>BIMCO</i>
• <i>Cedre</i>
• <i>Comité Maritime International (CMI)</i>
• <i>Conference of Peripheral Maritime Regions (CPMR)</i>
• <i>European Chemical Industry Council (Cefic)</i>
• <i>Iberoamerican Institute of Maritime Law (IIDM)</i>
• <i>International Association of Classification Societies Ltd (IACS)</i>
• <i>International Chamber of Shipping (ICS)</i>
• <i>International Group of P&I Associations</i>
• <i>International Salvage Union (ISU)</i>
• <i>International Spill Control Organization (ISCO)</i>
• <i>International Union of Marine Insurance (IUMI)</i>
• <i>INTERTANKO</i>
• <i>ITOPF Limited (ITOPF)</i>
• <i>Oil Companies International Marine Forum (OCIMF)</i>
• <i>Sea Alarm Foundation (Sea Alarm)</i>
• <i>World LPG Association (WLPGA)</i>

Participation at meetings

What to expect as a delegate

SUBMITTING CREDENTIALS CORRECTLY

A checklist:

- ✓ They are provided in either English, French or Spanish
- ✓ They list the full and correct dates of the meeting
- ✓ They are signed by an appropriate person of authority
- ✓ They are addressed to the Director of the IOPC Funds
- ✓ They contain the correct address of the IOPC Funds
- ✓ They are submitted electronically via email or at the time of online registration
- ✓ They are submitted by the recommended deadline given



Using the Document Services website...

Register to attend the meeting

When: No later than one week before

Why:

- 1) For security/to gain access to the meeting;
- 2) to ensure your name appears on the official List of Participants to the meeting.

Download and review meeting documents

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

Why:

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

Register for a Document Services account

When: Any time

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 final Record of Decisions

The final Record of Decisions is published shortly after the meeting and there may be an additional 5-day correspondence period depending on the meeting format.

IN PERSON

Be seated in the conference hall promptly

When: No later than 9.30 am

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.

REMOTE MEETINGS

- ✓ Attend the connectivity testing session before the meeting
- ✓ Attend the onboarding session the week before the meeting
- ✓ Use a headset for participants to have a good audio experience

STATEMENTS

Forward any lengthy statements to Secretariat to conference@iopcfunds.org
When: ASAP

Why:

- 1) To assist the interpreters who will be delivering your statement as you make it; and
- 2) for inclusion in the draft Record of Decisions (verbatim or summarised, specified at the time of the statement).

ADOPT THE RECORD OF DECISIONS

When: Final day of the meeting, available one hour before the session

Why:

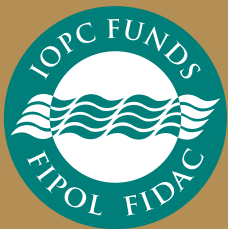
To confirm all discussion and decisions from the meeting are accurately reflected.

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.

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

For further information email conference@iopcfunds.org



The governments of the IOPC Funds Member States manage the organisations. Representatives of each State are invited to participate in the meetings of the governing bodies and it is vital that the views of all Member States are taken into account. A number of non-Member States and interested intergovernmental and non-governmental organisations also have observer status with one or more of the Funds, enabling them to participate in discussions at the meetings.

Participation at meetings

What to expect as a delegate



Sessions of the governing bodies in 2021



The IOPC Funds held three meetings in 2021, in March, July and November, all of which were held remotely due to the ongoing COVID-19 pandemic and resulting restrictions on travel. 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 of each meeting via documents. These temporary changes were considered and agreed upon by Member States at the opening of the sessions.

Remote meetings necessitated a limited timetable and reduced working hours, however, all essential items were discussed, and all necessary decisions were taken to ensure the continued functioning of the organisation. Following each virtual meeting, the sessions remained open for a short correspondence period.

Attendance

Attendance at the October 2019 sessions



1992 FUND ASSEMBLY (24TH EXTRAORDINARY SESSION AND 26TH SESSION)

1992 FUND ADMINISTRATIVE COUNCIL (20TH SESSION) (ACTING ON BEHALF OF THE ASSEMBLY)

SUPPLEMENTARY FUND ASSEMBLY (8TH AND 9TH EXTRAORDINARY SESSIONS AND 18TH SESSION)

1992 FUND EXECUTIVE COMMITTEE (75TH, 76TH AND 77TH SESSIONS)

All documents, including the full records of decisions for the 2021 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 and 1992 Fund Administrative Council

At its March 2021 session, the 1992 Fund Assembly noted developments and took decisions in respect of a number of items.



Antonio Bandini
(Italy)
Chair since March 2021

Particular focus was given to the procedures for the appointment of the next Director since the term of office of Mr Maura would expire on 31 December 2021 and an election would be required in November 2021. The 1992 Fund Assembly decided that in the event that it was possible to hold an in-person meeting in full at that time, the appointment of the Director should take place in person, in accordance with established practice. However, since, depending on the progression of the COVID-19 pandemic, the November meeting could be held partly or fully remotely, the Assembly also considered a number of alternative options for ballot procedures. After a lengthy debate, the Assembly decided to continue its discussions in respect of the alternative options at an extraordinary session of the Assembly to be held in July 2021.

A number of recent staff changes were noted, including the creation of a new separate IT Department and the inclusion of Mr Robert Owen (IT/Office Manager) in the Management Team and The Assembly decided to amend the relevant Internal and Financial Regulations relating to the delegation of authority and the management of monies accordingly.

The Chair of the 1992 Fund Assembly, Mr Gaute Sivertsen (Norway), stepped down as Chair at the end of the session after 10 years in the post. Mr Sivertsen expressed that it had been an honour and privilege to serve as Chair of the 1992 Fund Assembly for the last 10 years, which had given him the opportunity to work with all Member States and to work closely with three Audit Bodies, the Director and the Secretariat.

On behalf of himself and the Secretariat, the Director thanked Mr Sivertsen for his help, advice and friendship over the years and commented that he had been an exceptional Chair. Many delegations thanked Mr Sivertsen for presiding over the discussions of the Assembly for the last decade and wished him well in his future projects.

The 1992 Fund Assembly elected, by acclamation, Ambassador Antonio Bandini (Italy) as its new Chair to hold office until the next regular session of the Assembly. Ambassador Bandini thanked the 1992 Fund Member States for the confidence shown in him and expressed that it was an honour for him to serve as Chair of the 1992 Fund Assembly and that he looked forward to continuing the excellent work carried out by his predecessor.

In the absence of a quorum at the opening of the July 2021 session of the 1992 Fund Assembly, a session of the 1992 Fund Administrative Council was instead convened. The agenda for the meeting focused specifically on the process for the appointment of the next Director in November 2021. A circular had been issued in July announcing the three candidates nominated for the post, namely Mrs Liliana Monsalve (Colombia), Mr Thomas Liebert (France) and Mr Gaute Sivertsen (Norway). In light of a number of developments since March 2021, the 1992 Fund Administrative Council decided that in the event that the November 2021 meeting were to be held partly or fully remotely, the ballot procedure for the appointment of the Director should take place in person, by appointment.

Sessions of the governing bodies in 2021

The 1992 Fund Assembly held its regular session in November 2021 and, despite being held over KUDO, as a consequence of the lifting of restrictions in the United Kingdom, delegations were permitted to attend the meeting in person for the first time since 2019, and a number of representatives did join the Director and Chairs to follow discussions from the main conference hall of the IMO building.

This change of circumstances also enabled the election of the next Director to take place in-person, in a private meeting by secret ballot, in accordance with established practice. Following three separate ballots, the 1992 Fund Assembly elected Mr Gaute Sivertsen of Norway as the next Director of the IOPC Funds. A long-standing delegate at IOPC Funds meetings and former Chair of the 1992 Fund Assembly for 10 years, Mr Sivertsen is well known to the organisation and officially took up his duties as Director on 1 January 2022 for a term of five years. Speeches delivered by all parties following the election are included in the Record of Decisions to the meeting.

As well as that significant decision for the organisation, the Assembly took several other decisions during the session and noted a wide range of information provided by the Secretariat in relation to compensation matters, treaty matters, financial policies and procedures; and secretariat and administrative matters.

In particular, the Assembly took a number of key decisions relating to the administration of the organisation, approving the Financial Statements for 2020 and adopting an administrative budget for the 1992 Fund of £4 855 778 for 2022. All decisions relating to the levying of contributions are set out on pages 32-33.

In accordance with 1992 Fund Resolution N°5, the 1992 Fund Assembly elected 15 States as members of the 1992 Fund Executive Committee to hold office until the end of the next regular session of the 1992 Fund Assembly. It also appointed Mr Samuel Soo (Singapore) as Chair and Mrs Luisa Burgess (Ecuador) as Vice-Chair of the Executive Committee.

The joint Audit Body presented its annual report to the governing bodies, setting out the work it had undertaken since the December 2020 meeting of the IOPC Funds, describing in detail its areas of focus in line with its agreed work programme and making a number of recommendations. The governing

bodies took the opportunity to thank Mr Michael Knight, the external expert of the Audit Body, who was at the end of his term, after 10 years as a member of the Audit Body. Following the proposal of the Chair, the 1992 Fund Assembly decided to appoint Mrs Alison Baker as the new external expert to the joint Audit Body for a term of three years from 1 January 2022 to 31 December 2024.

The governing bodies also appointed new members of the Appeals Board and noted information reported in respect of the submission of oil reports and payment of contributions (see pages 32-33); the report of the joint Investment Advisory Body; the application of the European Union General Data Protection Regulation; the outreach activities and information services delivered since 2020 and those planned for 2022 (see pages 36-37) and developments in respect of the preparations for the entry into force of the 2010 HNS Convention (see pages 40-42).



Sungbum Kim
(Republic of Korea)
Chair since October 2011

Supplementary Fund Assembly

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 appointment of the next Director. It approved the Financial Statements of the Supplementary Fund for 2020 and adopted an administrative budget for 2022 of £52 400. A management fee of £38 000 payable to the 1992 Fund for the financial year 2022 was also agreed upon by the Assembly in November 2021.



1992 Fund Executive Committee

The Executive Committee held three sessions during 2021 and was informed of all key developments during the course of the year in respect of the 13 open incidents. For full details, see pages 22-27.



Gillian Grant
(Canada)
Chair from October 2019 to November 2021

The Committee was informed of two new incidents at its March 2021 session: the *MT Harcourt*, which had suffered an explosion in a ballast water tank whilst moored alongside the Elcrest Terminal in the Gbetiokun oil field, Delta State, Nigeria, in November 2020; and an incident in Israel, which had developed after tar balls from an unknown source were washed up along the Israeli coastline in February 2021.

For the *MT Harcourt*, the Executive Committee noted that it was unlikely that the losses from the incident would exceed the STOPIA limit (SDR 20 million) or that the Fund would be called upon to pay compensation, but that the Director would nevertheless continue to monitor developments in this incident.

For the incident in Israel, developments were reported at each of the three sessions of the Committee in 2021 and it was noted that the Israeli Ministry of Environmental Protection and Protection had organised a full response to the spill, and an investigation had been undertaken to identify the source. Analyses of samples collected from the polluted site confirmed that they were of crude oil, which

had originated from a single source. As there were no offshore platforms or pipelines in the area, experts concluded that the only possible source was a tanker carrying crude oil. The 1992 Fund Convention also applies to spills of persistent oil even if the ship from which the oil is released cannot be identified, provided it is shown that the oil originated from a ship as defined in the 1992 Civil Liability Convention (CLC). With this in mind, the Executive Committee decided, in July 2021, that the 1992 Civil Liability and Fund Conventions would apply to this incident and authorised the Director to make compensation payments for admissible claims. The 1992 Fund is continuing to investigate the possible origin of the spill.

In respect of the *Bow Jubail* incident, the Executive 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 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. After a discussion at the November 2021 session, 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*.

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

Canada	Marshal Islands
Ecuador	Morocco
Germany	Netherlands
Ghana	Philippines
India	Republic of Korea
Italy	Spain
Liberia	Thailand
Malaysia	

Sessions of the governing bodies in 2021

At that same session, the delegation of the Republic of Korea delivered a presentation on the *Hebei Spirit* incident to the 1992 Fund Executive Committee in which it expressed its appreciation to the Skuld Club, the 1992 Fund, as well as for the technical support of the experts involved and for the work of the national courts, which resolved most of the cases through reconciliation. The Director took the opportunity to point out that in his experience, the key to the effective management of an incident was strong cooperation between the IOPC Funds, the insurer and the government affected by the spill. He stated that the *Hebei Spirit* case had shown that when the main parties work together, even an incident of such magnitude can be successfully resolved. The Secretariat also provided information in respect of the *Prestige* (Spain, November 2002), *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) *Nathan E. Stewart* (Canada, October 2016) and *Agia Zoni II* (Greece, September 2017) incidents.



Samuel Soo
(Singapore)
Chair since November 2021

CURRENT 1992 FUND EXECUTIVE COMMITTEE MEMBERS (FROM NOVEMBER 2021 UNTIL OCTOBER 2022)	
Ecuador	Malaysia
France	Marshall Islands
Germany	Morocco
India	Netherlands
Italy	Philippines
Jamaica	Singapore
Japan	Spain
Liberia	



Farewell to the outgoing Director Mr José Maura

Since the second term of the Director of the IOPC Funds, Mr José Maura, expired on 31 December 2021, the November 2021 sessions were his last as Director. Mr Maura, who served as Director for 10 years and had worked in other positions within the Secretariat for 15 years before, delivered a farewell speech at the meeting.

The Chairs of the governing bodies, many Member States and observer delegations took the floor to express their gratitude and appreciation to the outgoing Director for his invaluable contribution to the work of the international oil pollution compensation regime for over 25 years. The speeches and interventions made are included in the Record of Decisions to the meeting. Given that not all delegates were attending the meeting in person, the Chair of the 1992 Fund Assembly proposed organising a farewell gathering for the Director at the next available opportunity.

On site in Republic of Korea following the *Hebei Spirit* incident in 2008.



With IMO Secretary-General, Kitack Lim, after signing the agreement of relocating the Funds to the IMO building in 2016.

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Financial Admistration

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Financial Highlights for 2021

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Summary of Major Claims Funds

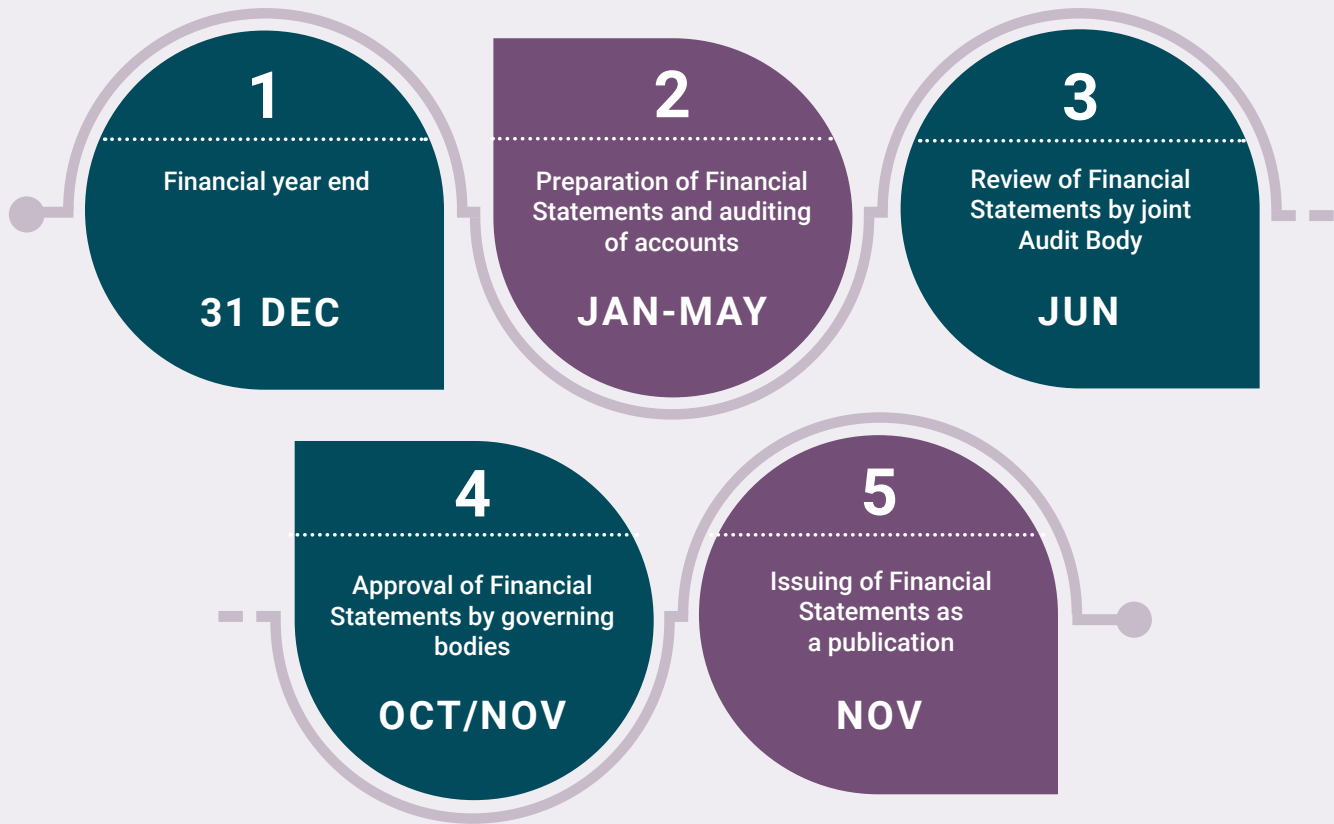
Financial Review

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 2021 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.iopc-funds.org under the Publications page.



Financial highlights for 2021

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

1992 Fund

REVENUE 2021			
CONTRIBUTIONS DUE IN 2021:			£
At its session in December 2020, the 1992 Fund Assembly decided not to levy contributions due for payment on 1 March 2021			-
OTHER REVENUE:			£
Recovery from SHI Limitation Fund in respect of <i>Hebei Spirit</i> Major Claims Fund			2 220 000
Interest on investments			68 500
Management fee payable by Supplementary Fund			36 000
TOTAL REVENUE			2 324 500
ADMINISTRATIVE COSTS 2021			
JOINT SECRETARIAT:			£
Budget (excluding External Auditor's fees for respective IOPC Funds)			4 708 287
Expenditure (excluding External Auditor's fees for respective IOPC Funds)			3 964 283
External Auditor's fees in respect of 1992 Fund			53 600
CLAIMS EXPENDITURES 2021			
INCIDENT	COMPENSATION	CLAIMS-RELATED EXPENDITURE	TOTAL
	£	£	£
<i>Prestige</i>	-	53 263	53 263
<i>Hebei Spirit</i> *	-	312 179	312 179
<i>Nesa R3</i>	-	12 299	12 299
<i>Alfa I</i>	-	115 767	115 767
<i>Agia Zoni II</i>	235 898	328 559	564 457
Other incidents	-	278 362	278 362
TOTAL CLAIMS EXPENDITURE	235 898	1 100 429	1 336 327

* Including interim reimbursements from the P&I Club for joint costs of £4 074 for *Hebei Spirit* MCF

Supplementary Fund

REVENUE 2021	£
CONTRIBUTIONS DUE IN 2021:	-
OTHER REVENUE:	
Interest on investments	1 743
TOTAL REVENUE	1 743

EXPENDITURE 2021	£
ADMINISTRATIVE COSTS:	
Management fee payable to 1992 Fund	36 000
External Auditor's 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 22 - 27 for more details of each incident.

CUMULATIVE INCIDENT EXPENDITURE TO 31/12/2021 (UNAUDITED)	<i>Prestige</i>	<i>Hebei Spirit</i>	<i>Alfa I</i>	<i>Agia Zoni II</i>	<i>Nesa R3</i>
	£	£	£	£	£
Compensation paid to 31/12/20	106 621 900	119 575 604	10 856 126	12 907 387	6 703 800
Compensation paid 2021	-	-	-	235 898	-
Total compensation	106 621 900	119 575 604	10 856 126	13 143 285	6 703 800
Claims-related expenditure paid to 31/12/20	24 565 483	37 244 416	657 400	3 779 101	412 740
Claims-related expenditure paid 2021	53 263	312 179	115 767	328 559	12 299
Total claims-related expenditure paid	24 618 746	37 556 595	773 167	4 107 660	425 039
TOTAL expenditure (cash basis, including SDR 4 million paid for each incident from General Fund)	131 240 646	157 132 199	11 629 293	17 250 945	7 128 839

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.

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 31/12/20 (accrual basis- see Financial Statements for more details)	534 111	5 747 560	380 614	28 893 709	373 740
Provision for compensation at 31/12/2020, added back	720 797	-	-	604 316	-
Fund balance 31/12/2020 (adjusted cash basis)	1 254 908	5 747 560	380 614	29 498 025	373 740

Upon the establishment of a Major Claims Fund, the governing bodies can decide to levy contributions (see pages 28-35 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.

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>	<i>Incident in Israel</i>
	£	£	£	£	£	£
Contributions levied, due by March 2021 or before	119 000 000	131 500 000	8 075 000	41 000 000	3 600 000	-
2021 levy, due 1 March 2022	-	-	-	-	-	4 000 000
Total contributions levied or approved	119 000 000	131 500 000	8 075 000	41 000 000	3 600 000	4 000 000

Notes

Notes

Acknowledgements

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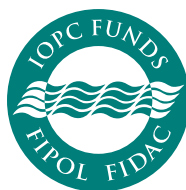
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