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ANNUAL REPORT • INTERNATIONAL OIL POLLUTION COMPENSATION FUNDS

ANNUAL REPORT



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The IOPC Funds in 2023: Observations from the Chairs

It is my great pleasure to introduce this Annual Report and to reflect on the many activities and achievements of the IOPC Funds in 2023. As Chair of the 1992 Fund Assembly, I not only had the honour of presiding over two sessions of this governing body, but I was also involved in discussions with the Director, the Secretariat and the Audit Body on various issues throughout the year.

This regular engagement gave me added insight into the efforts of the Director and his staff to deliver on the core tasks required to run the organisation and improve efficiency. It should be noted that this small Secretariat is clearly conscious that it is answerable to a wide international membership and every effort is made to ensure transparency in decision making and internal practices. This is of paramount importance at all times, but especially so in the current geopolitical situation, characterised by armed conflicts liable to endanger maritime traffic and increase oil pollution risks. The reports, documentation and information provided to Member States and their contributors via the IOPC Funds' website is evidence of that transparency and the site continues to be an extremely useful resource.

The Member States are invited at each session of the governing bodies to take important decisions and give the Director instructions on a wide variety of items that are key to the successful functioning of the regime. These often relate to financial, administrative or policy-related matters, and the 2023 sessions saw significant discussions on those points, in particular concerning new measures to facilitate a thorough levying of contributions, the establishment of two new major

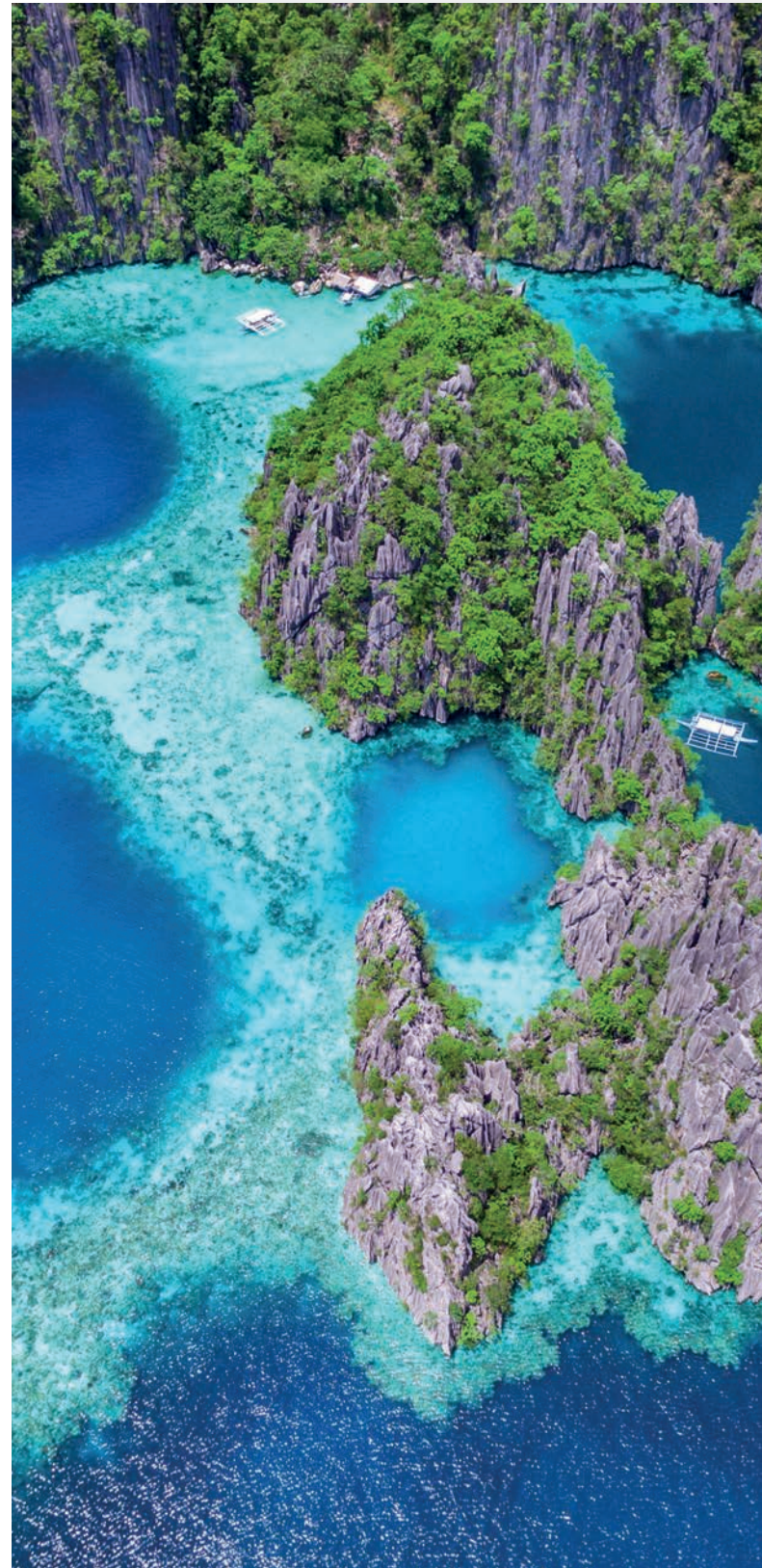


claims funds, the plans for the appointment of a new External Auditor and the election of new members of the joint Audit Body. Further details of these discussions are set out in pages 52-55.

In order to ensure a wide representation of views within discussions, it is important that Member States attend the IOPC Funds' meetings, and I was pleased to note the increase in representation in November 2023. Furthermore, at that meeting, the governing bodies elected new Chairs and Vice Chairs for the year ahead and I am delighted that the organisation has achieved a gender balance among these post-holders for the first time.

I look forward to serving along-side all my fellow Chairs in 2024, to continued cooperation and engagement between the Director, the Secretariat and the Member States and to working together to uphold the principles of the international liability and compensation regime.

Antonio Bandini
Chair of the 1992 Fund Assembly



I was honoured to be elected as Chair of the Supplementary Fund Assembly at the October 2022 sessions and very much enjoyed my first year in the post in 2023.



No incidents occurred during the year involving the Supplementary Fund and the organisation therefore naturally has a lighter workload than that of its partner organisation, the 1992 Fund. Whilst the Supplementary Fund will only ever be accessed to provide compensation to Member States when claims resulting from an incident exceed the amount available under the 1992 Fund Convention, it is still vital that the organisation is financially and operationally prepared to come into action at any time. The Assembly plays a vital role in that preparatory work and in 2023 it took a number of decisions to secure the continued stability of the organisation on various fronts. These decisions are explained in pages 52-55.

By opting to join the Supplementary Fund, the 32 current Member States have shown their clear commitment to the protection of the environment and the protection of their citizens, securing them access to the maximum level of compensation under the international liability and compensation regime. I hope to see further States making the same important commitment in 2024.

François Marier
Chair of the Supplementary Fund Assembly

"The 32 current Supplementary Fund Member States have shown their clear commitment to the protection of the environment and their citizens, securing them access to the maximum level of compensation."

Sad passing of Captain David Bruce of the Marshall Islands

It was with great sadness that the IOPC Funds learnt of the passing of Captain David Bruce, long-serving representative of the Marshall Islands to IOPC Funds' meetings and former Chair of the 1971 Fund Administrative Council, in October 2023.

Captain Bruce had been attending sessions of the IOPC Funds' governing bodies for over 20 years. During that time, he actively contributed to discussions from the floor, regularly demonstrating his wide maritime knowledge and experience with timely and well-considered interventions that would often facilitate constructive debate between Member States. His support of the work of the organisation was greatly appreciated throughout his time as a delegate. In particular, as Chair of the 1971 Fund Administrative Council, a post which he held for over six years, his excellent diplomatic skills and wisdom proved pivotal to the successful winding up of the original IOPC Fund (the 1971 Fund) in 2014.



"This small Secretariat is answerable to a wide international membership and every effort is made to ensure transparency."

Director's Review

Looking back on 2023, it was a year in which the IOPC Funds clearly demonstrated the vital role it continues to play in response to oil pollution incidents worldwide. It successfully delivered on its mission by managing the payment of compensation, the financing of the system and the running of the Secretariat efficiently and effectively.

Throughout the year, whether at the meetings of the governing bodies, at workshops, seminars, conferences or bi-lateral meetings, I have taken every opportunity to highlight the benefits of the international liability and compensation regime for those States who are not yet Party to the Conventions and have also emphasised the importance of regular engagement and strong cooperation with existing Member States. Together with my dedicated colleagues in the Secretariat, we have worked with Member State representatives, the Audit Body and key stakeholders to find ways to provide an efficient service to all, to seek solutions to specific issues and introduce improvements wherever possible.



New and ongoing incidents

The *Princess Empress* incident which occurred in February 2023 has resulted in significant pollution damage and the submission of over 35 000 claims for compensation so far. The remote location of a large number of claimants, their limited ability to complete claim forms directly, or to receive payment by usual banking methods has required the 1992 Fund to adapt in order to ensure it could fulfil its mission and pay compensation to those whose livelihoods have been impacted by this spill. I am very proud of how the staff involved at every level responded to these particular challenges and their determination to work with the insurer to find solutions. Further information about this incident on pages 25-29.



Failure of States to comply with obligations

I have often emphasised that the timely submission of oil reports and payment of contributions are crucial to the functioning of the liability and compensation regime. These obligations are firmly set out under the relevant treaties, but unfortunately some States still fail to fulfil them. A Resolution already exists for each Fund, setting out measures to encourage compliance. A decision to apply this Resolution in relation to a Member State was under consideration by the 1992 Fund Assembly for the first time in 2023 and although it was eventually not required, the value of having such Resolution with its clear provisions was evident. I was delighted therefore, that, in November 2023, the Assemblies each approved a new, carefully drafted Resolution authorising me to issue invoices based on estimates of oil receipts. This means that from now on, gaps in reporting will not prevent the liable contributors from being invoiced for monies due. I am confident that these two Resolutions will make a difference to maintaining the fair sharing of costs and the smooth running of the system going forward. Further details on this on pages 34-37.



Entry into force of the 2010 HNS Convention

Not only did the number of Contracting States to the 2010 HNS Protocol increase to eight – 75% of the number of States required to trigger its entry into force – but further States have made concrete steps towards acceding to this important Convention, as they reported at the valuable workshop held in April 2023. Focus now turns to a number of important practical considerations to secure those States and others, in particular with regards to the management of the reporting of HNS cargoes. Certainly, the work of the Secretariat in this area increased in 2023 and will do even further the closer we get to entry into force. More on this on pages 38-41.



Potential impact of international sanctions

During the past year, I have raised concern about the potential impact of international sanctions on the international liability and compensation regime. Recent data has shown a substantial increase in the size of the so-called 'shadow' or 'dark' fleet, which in turn could lead to a higher threat of accidents and oil spills, an increased difficulty in assigning liability when ship-source spills occur, and a lack of proper insurance or other financial security. This exposes the IOPC Funds and its contributors to an increased risk of having to pay the full compensation for oil spills if no sufficient insurance is available to cover the shipowner's liability. At both meetings of the governing bodies in 2023, I reminded Member States of their obligation under the 1992 Civil Liability Convention (CLC), to ensure that tankers have a CLC certificate and pointed out that failure to do so might result in State liability. I will continue to liaise with Member States, the International Maritime Organization (IMO) and the International Group of P&I Associations on this important issue.

"Together with my dedicated colleagues in the Secretariat, we have worked with Member State representatives, the Audit Body and key stakeholders to find ways to provide an efficient service to all, to seek solutions to issues and introduce improvements."

Since the beginning of my term of office in 2022, I have regularly expressed my commitment to serving the Member States and those impacted by oil pollution incidents, to protecting the Funds' interests and to ensuring that the organisation is prepared to adapt to changing needs. These underlying principles certainly motivated me and the team when dealing with some of the issues described above over the past year and will continue to do so in the year ahead.

2023 was a busy, productive and progressive year for the organisation. We continue to carry out our core work, but the way in which we do so evolves and develops every day. I am grateful to the members of the Secretariat for embracing this progress, to both the Audit Body and Investment Advisory Body members for their guidance and expertise and to the Chairs of the governing bodies for their support and skilled handling of the IOPC Funds' meetings. We welcome a number of new people to the various teams (staff, Chairs and Audit Body members) in 2024 and I look forward to working with all of them to continue the excellent and important work of this unique organisation.

Gaute Sivertsen
Director

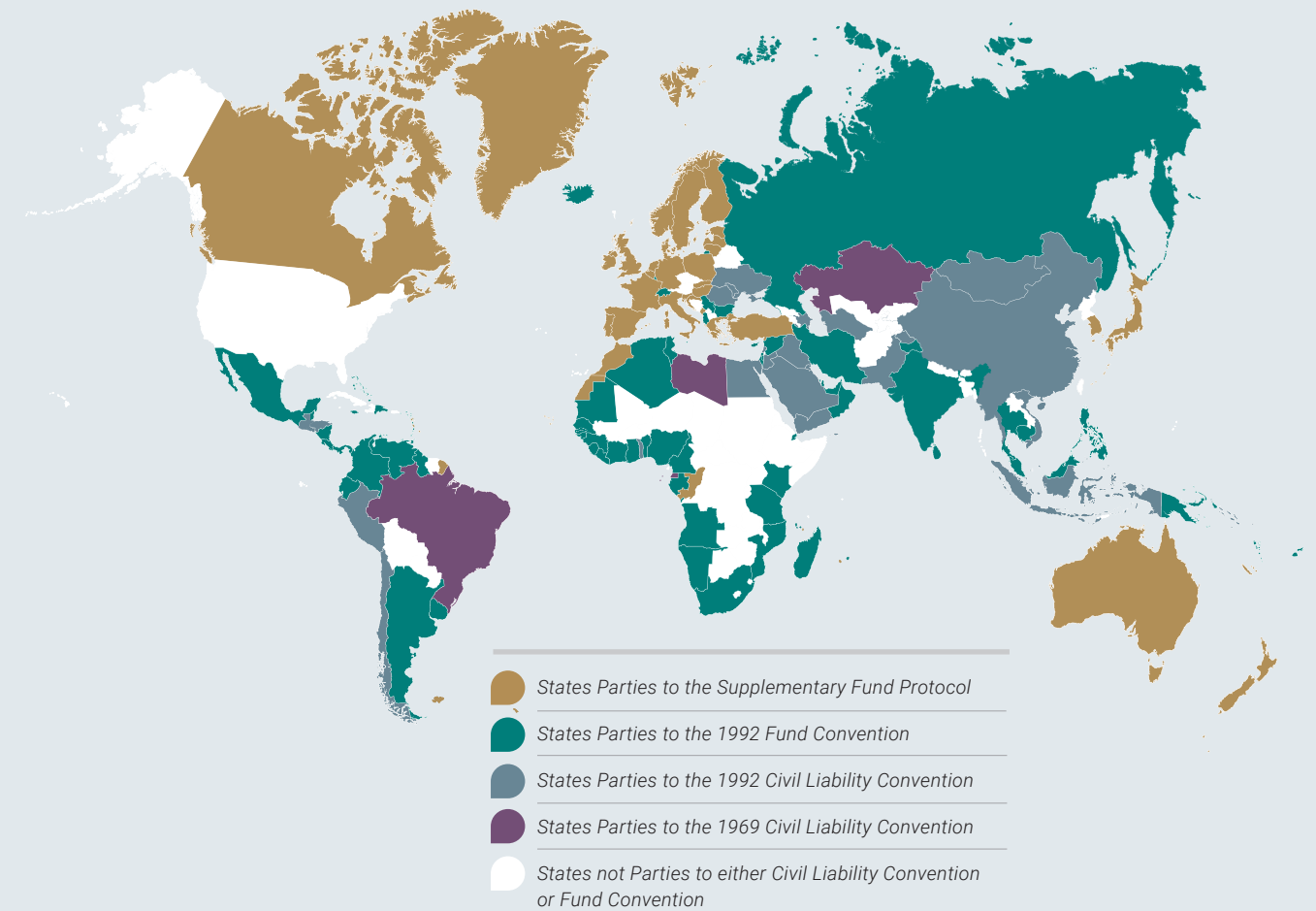
The International Oil Pollution Compensation Funds (IOPC Funds) provide financial compensation for oil pollution damage that occurs in its Member States, resulting from spills of persistent oil from tankers.

This report focuses on the work of the IOPC Funds during 2023. For further general information about the organisation and its history, please visit www.iopcfunds.org.

Funds' overview



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

- Australia
- Barbados
- Belgium
- Canada
- Congo (the)
- Croatia
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Japan
- Latvia
- Lithuania
- Montenegro
- Morocco
- Netherlands
- New Zealand
- Norway
- Poland
- Portugal
- Republic of Korea
- Slovakia
- Slovenia
- Spain
- Sweden
- Türkiye
- United Kingdom

121 Member States of the 1992 Fund

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

[↔] The 1992 Fund Convention applies to the Hong Kong Special Administrative Region only.

Legal Framework

The international liability and compensation regime is currently based on:



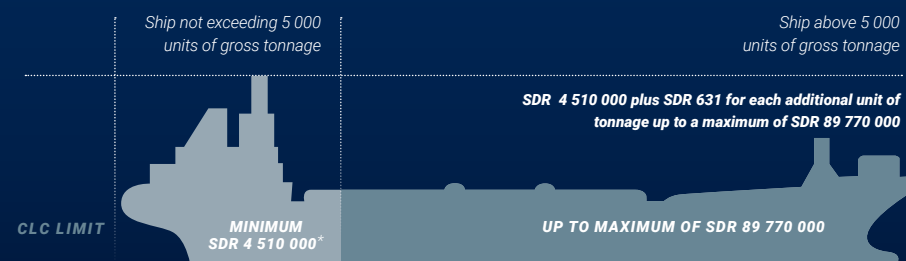
These three instruments all apply to pollution damage caused by spills of persistent oil from tankers in the territory (including the territorial sea) and the exclusive economic zone (EEZ) or equivalent area of a State Party to the respective treaty instrument.

LAYER 1 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 gross tonnage (GT) 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.

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.

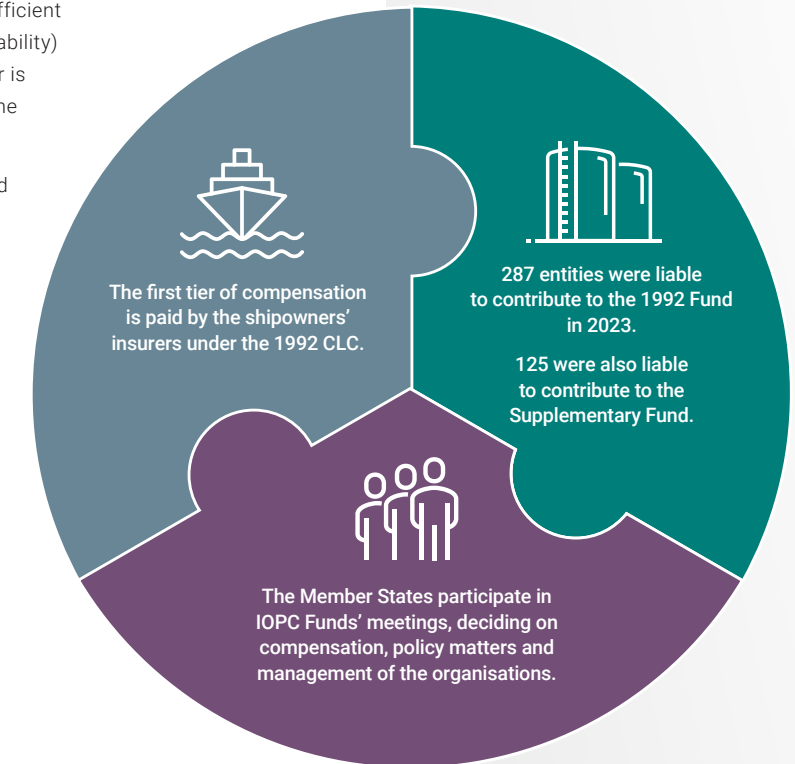
The 1992 Fund provides a second tier of compensation when the amount available under the 1992 CLC is insufficient (i.e. the damage exceeds the limit of the shipowner's liability) and also when the shipowner is exempt from liability or is financially incapable of meeting its obligations under the 1992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

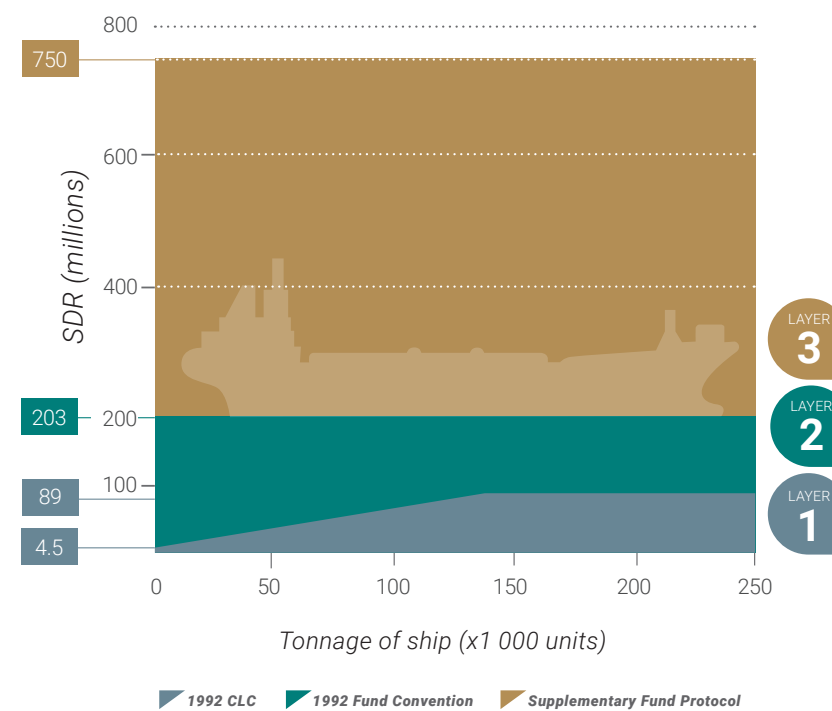
LAYER 3

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.



MAXIMUM LIMITS OF COMPENSATION



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

Legal Framework

STOPIA and TOPIA

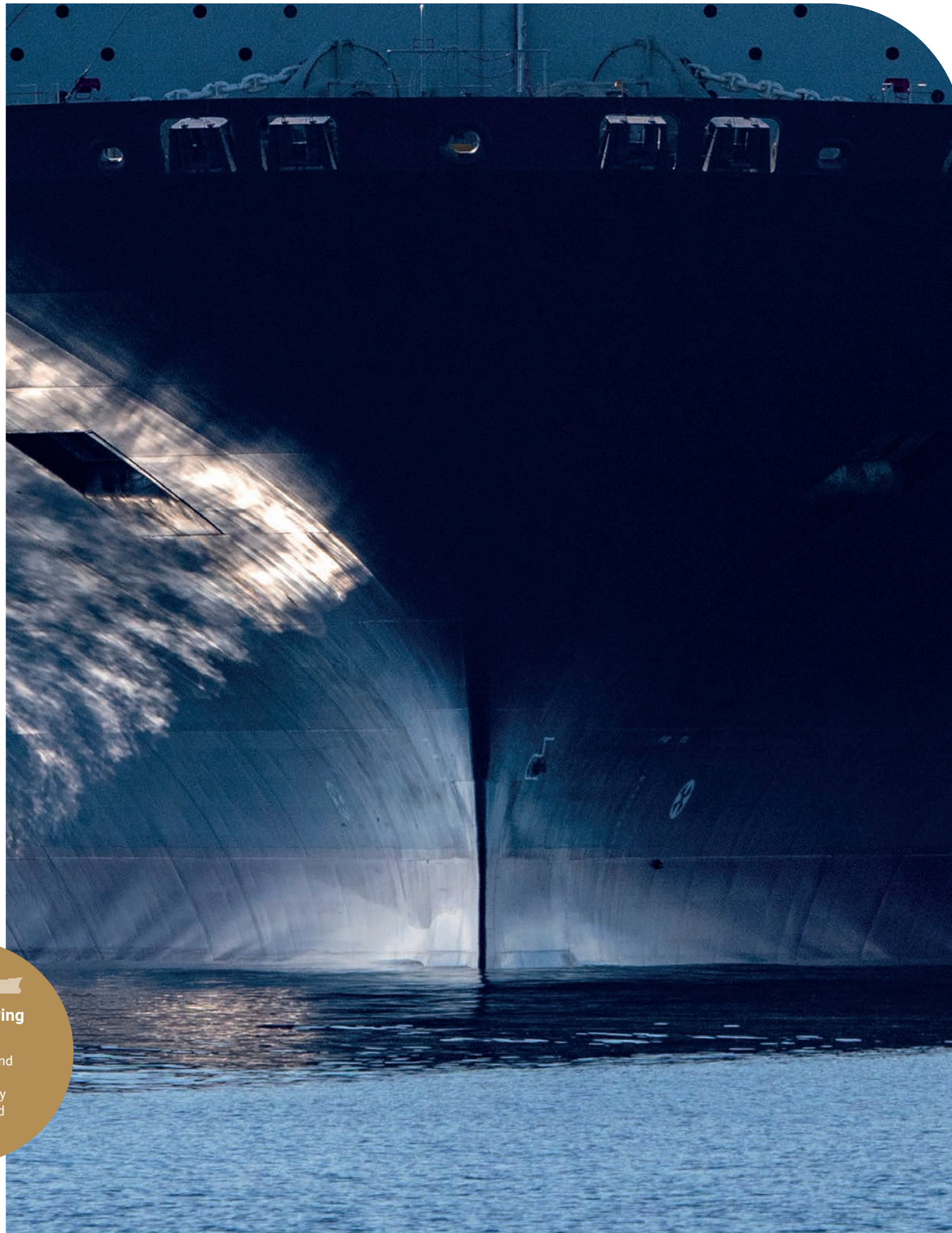
The Small Tanker Oil Pollution Indemnification Agreement (STOPIA) and the Tanker Oil Pollution Indemnification Agreement (TOPIA) are two voluntary agreements set up by the shipowners and the P&I Clubs which are members of the International Group, to indemnify, up to certain amounts, the 1992 Fund and 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) and the *Trident Star* incident (Malaysia, 2014). The Agreement also applies in respect of the *Haekup Pacific* (Republic of Korea, 2010), *Bow Jubail* (the Netherlands, 2016) and *Princess Empress* (the Philippines, 2023). Since there have been no incidents involving the Supplementary Fund, TOPIA has not been applied.

STOPIA & TOPIA
2 voluntary agreements by shipowners and IG P&I Clubs

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

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



1969 Civil Liability Convention

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

The following States remain Party to the 1969 CLC only:

- Brazil
- Equatorial Guinea
- Kazakhstan
- Libya
- Sao Tomé and Príncipe



New Member State

Guinea-Bissau

The Republic of Guinea-Bissau deposited instruments of accession to the 1992 Civil Liability and Fund Conventions with the Secretary-General of IMO on 12 May 2022. Both Conventions therefore entered into force for Guinea-Bissau on 12 May 2023, bringing the number of 1992 Fund Member States to 121 on that date.

The State 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 pleased to welcome Guinea-Bissau as the newest 1992 Fund Member State.



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Operational Review

Secretariat

The 1992 Fund and the Supplementary Fund share a joint Secretariat, consisting of 26 staff members as at February 2024. 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.

For the strategic running of the Secretariat, the Director is assisted by a Management Team, comprising the Deputy Director/Head of Claims Department and the Head of Administration.



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.



Gaute Sivertsen
Director

Liliana Monsalve
Deputy Director
Head of Claims Department

Robert Owen
Head of Administration
Department

DIRECTOR'S OFFICE



María Basílico
Executive Assistant



Yuji Okugawa
Policy Officer



Thomas Liebert
HNS Project Officer

CLAIMS DEPARTMENT



Chiara Della Mea
Senior Claims Manager



Mark Homan
Claims Manager



Ana Cuesta
Claims Manager



Chrystelle Collier
Claims Administrator

ADMINISTRATION DEPARTMENT

FINANCE



Claire Montgomery
Chief of Finance



Asayehegn Woldegebrail
Finance Manager



Elisabeth Galobardes
Finance Assistant



Marina Singh
Finance Assistant



Thamina Begum
Finance Assistant

Vacant Post
Oil Reporting/Data Administrator

IT



Stuart Colman
IT Officer



Paul Davis
IT/Office Administrator

HR



Julia Shaw
Human Resources Manager

Being part of a small organisation gives staff greater exposure to the various roles across the secretariat and provides a wealth of opportunities to get involved and gain new skills in innovative cross organisational projects. Our geographically diverse secretariat makes the working environment far more enriching.

The IOPC Funds sometimes engages experts and local staff in connection with major incidents, often jointly with the shipowner's insurer. It also uses 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.

EXTERNAL RELATIONS AND CONFERENCE



Victoria Turner
External Relations
& Conference Manager



Raymond Bayor
Information Officer



Christine Galvin
External Relations
& Conference Coordinator



Dušanka Šupica
External Relations
& Conference Assistant



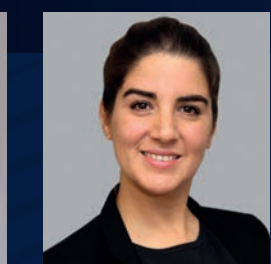
Sylvie Legidos
Translation Coordinator



Johana Lanzeray
Associate Editor (French)



María Alonso Romero
Associate Editor (Spanish)



Mariana Saúl
Associate Editor (Spanish)

Administration

Joint Secretariat expenses

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

Joint Secretariat expenditure	2023 unaudited £	2022 audited £	2021 audited £
Expenditure	4 630 000	4 492 317	3 961 283
Budget	5 093 706	4 855 778	4 708 287
Expenditure as % of budget	91%	92%	84%
External audit fees:			
1992 Fund	67 536	65 908	53 600
Supplementary Fund	5 544	5 433	4 400
Management fees received by 1992 Fund from Supplementary Fund	40 000	38 000	36 000

Commentary on the joint Secretariat expenditure is provided in Annex I of the 1992 Fund's Financial Statements, which can be found in the 2022 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 2023 are provided under the Financial Review section of this Annual Report (pages 56-61).

External Auditor

An External Auditor is appointed by the 1992 Fund Assembly and Supplementary Fund Assembly. The current IOPC Funds' External Auditor is BDO International (BDO), who were first appointed by the governing bodies in October 2015. They were reappointed in October 2019 for a four-year term, and again in October 2022 for a further two-year term, as proposed by the Audit Body. A full tender for the position of External Auditor will be undertaken in 2024 for the accounting year 2026. 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 56-61).



The Audit Body members from December 2020 to November 2023 were: (L-R) Alison Baker (External expert), Alfred Popp K.C., Vatsalya Saxena (Vice-Chair), Birgit Sølling Olsen (Chair), Hideo Osuga, Arnold Rondeau and Thomas F. Heinan



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 regarding key issues of management and financial systems, financial reporting, internal controls, operational procedures and risk management, and to review the organisations' Financial Statements and reports. In accordance with its mandate, the Audit Body also manages the selection process of the External Auditor, who attends all Audit Body meetings.

In 2023, the Audit Body continued to consider the options and related issues regarding the appointment of the next External Auditor. Its members also continued to examine the possibility of the organisations issuing invoices based on estimated oil receipts if no reports were submitted. In particular, they discussed and supported the drafting of a Resolution for each Fund specifically on this subject as well as corresponding amendments to the relevant Internal Regulations. Both Resolutions and proposed amendments to the Regulations were presented to and approved by the 1992 Fund Assembly and Supplementary Fund Assembly at their November 2023 sessions. The Audit Body also continued to monitor the progress of the IMO Legal Committee discussions on the risks relating to incidents involving insurers who are not members of the International Group of P&I Associations.



Robert Owen
Head of Administration

Looking ahead, a key priority for me, and for my colleagues, is to address the strategic challenges associated with integrating Artificial Intelligence (AI) and Business Intelligence (BI) into our operational framework. Doing this effectively would require us to implement a comprehensive framework for data governance and management, as such a framework is pivotal in positioning the Secretariat to fulfil its mandate in today's dynamic business environment.

As Head of Administration, I am pleased to highlight that the IOPC Funds remains a responsible inter-governmental organisation committed to staying abreast of technological advancements. In 2023, the Secretariat continued its adoption of innovative technologies across its operations.

The Director took the opportunity of the November 2023 sessions of the governing bodies to express appreciation to the outgoing Audit Body members and presented Ms Birgit Sølling Olsen, the outgoing Chair, with an inscribed glass ornament in recognition of her years of service as Chair.



The current Audit Body consists of the following six members, who were elected by the governing bodies in November 2023 for a period of three years:

- Mr Alfred H.E. Popp, CM, K.C. (Canada)
- Mr Volker Schöfisch (Germany) (Chair)
- Captain Anish Joseph (India)
- Dr Hideo Osuga (Japan) (Vice-Chair)
- Captain Thomas F. Heinan (Marshall Islands)
- Mr Christoph Mungandjela (Namibia)

The composition of the Audit Body also includes an external expert, who is not related to the organisations and has expertise and experience in financial matters. That position is currently held by Mrs Alison Baker, who was appointed in November 2021 for a three-year term commencing 1 January 2022.

Risk management

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

Investment Advisory Body

The joint Investment Advisory Body (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 also meets with the Audit Body and External Auditor to share information and reports to the governing bodies at their regular sessions.

In 2023, the IAB's support and guidance helped the IOPC Funds navigate a period dominated by above-target inflation and rising interest rates. The IAB helped minimise currency exposure, particularly when planning for compensation liabilities in respect of the new 1992 Fund incidents, the *Bow Jubail* and *Princess Empress*.



The three current members of the joint Investment Advisory Body are:

- Mr Alan Moore
- Ms Beate Grosskurth
- Mr Marcel Zimmerman.

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).



Liliana Monsalve
Deputy Director/Head of Claims

Making sure that the compensation process is efficient is of great importance to me in both my capacity as Head of Claims and as Deputy Director as it ensures that the mission of the organisation can be fulfilled. Establishing and maintaining cooperation with Member States affected by a spill and the vessels insurer is key to that process. Over the years, and in particular in 2023, I have seen the true value of working with an experienced and professional team both at the Secretariat in London and in the country suffering pollution, when faced with a major incident. Looking ahead, we will continue to find ways to adapt and improve the claims management and compensation process to better serve those who are affected by oil pollution.

The Claims Process:

1 Who can claim?
Individuals, partnerships, companies, private organisations or public bodies, including States or local authorities.

2 When should claims be submitted?
Within three years of the date on which the damage occurred.
Claimants must bring court action against the 1992 Fund, or formally notify the 1992 Fund of a court action against the shipowner or their insurer, within that three-year period. Although the damage may not occur soon after an incident takes place, court action must in any event be brought within six years of the date of the incident.

3 How can claims be submitted?
Ideally using a claim form or online claims submission system made available for a specific incident via the IOPC Funds' website.
In the event of an incident, the process for claim submission will be clearly explained and customised claim forms will normally be made available. Claims should be clear, with sufficient information and supporting documentation to enable the amount of the damage to be assessed.

4 How are claims assessed?
According to criteria established by the governments of Member States.
These criteria are set out in a published Claims Manual, which is a practical guide on how to present claims for compensation. The IOPC Funds, normally in cooperation with the shipowner's insurer, usually appoint experts to monitor clean-up operations, investigate the technical merits of claims and make independent assessments of the losses.

5 What type of claims are admissible?
Claims must be quantifiable. The most common types of claims received fall into the following categories:



6 How are claims settled?
In most cases, claims are settled out of court.
The IOPC Funds endeavor to pay claims as promptly as possible and may 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 new question of principle, the Director needs approval from the governing bodies.

Key factors for successful incident management and claims handling

Building and maintaining relationships with key contacts within the Government

The Secretariat engages with States at every opportunity before an incident occurs, at sessions of the governing bodies or other meetings in London and through regular outreach activities, including in-person national and regional workshops and bilateral meetings or online training activities.

Strong cooperation with the insurers

The IOPC Funds has an excellent relationship with the International Group of P&I Associations and its members and endeavors to engage with other insurers regularly.

Experienced staff

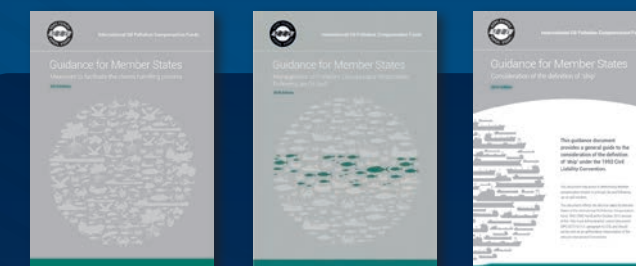
The Claims Department alone have a combined >100 years experience managing claims.

Accessible network of international and national experts

The Secretariat has built a reliable network of experts that it is able to call upon in the event of an incident, working closely with ITOPF and others.

Technology

The IOPC Funds has developed a bespoke online claims handling system to facilitate the management of large numbers of claims.



Measures to facilitate the claims handling process
Management of fisheries closures and restrictions following an oil spill
Consideration of the definition of 'ship'

Helpful resources

A Claims Manual and various sector-specific guidelines for claimants are available at www.iopcfunds.org. The above Guidance documents have also been published to assist Member States.

Compensation and Claims Management

The process in brief



Incidents involving the IOPC Funds

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 2023 and the position taken by the governing bodies in respect of claims is set out below.

List of open 1992 Fund incidents as at 31 December 2023		
Ship	Place of incident	Year
<i>Prestige</i>	Spain	2002
<i>Solar 1</i>	Philippines	2006
<i>Redffern</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>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
<i>Princess Empress</i>	Philippines	2023

£766 million

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



Incidents involving the Supplementary Fund

As at 31 December 2023, there have been no incidents involving, or likely to involve, the Supplementary Fund.

Ongoing Incidents

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.

An investigation undertaken by the Israeli Ministry of Environmental Protection failed to conclusively identify the tanker responsible for the spill. Since 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 CLC, both the 1992 CLC and Fund Convention apply to this incident and the Director has been authorised to make compensation payments for admissible claims. At the November 2023 meeting, it was reported that a total of 385 claims had been submitted for clean-up operations, property damage and economic losses, totalling ILS 28.5 million. Six claims had been paid for a total of ILS 4.2 million and further claims had been assessed at ILS 2.4 million. The 1992 Fund continued to receive claims for this incident during the latter part of 2023, and the Secretariat was working to assess all claims received before the three-year time bar in February 2024.



ILS 4.2 million

Compensation paid
by 1992 Fund as at
31/12/23

Ship	Agia Zoni II
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

AGIA ZONI II (GREECE, SEPTEMBER 2017)

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

The assessment of the 423 claims filed against the 1992 Fund in this incident continued in 2023. 416 of those claims were approved and 191 were paid. Further offers of compensation and advance payments have been made to a number of claimants whose responses are awaited.

The results of the investigation into the cause of the incident by the Public Prosecutor remain pending. It is not known when the Public Prosecutor will conclude the investigation, which is awaited to determine the cause of the incident, although the Greek State reported to the Executive Committee that progress had been made. It is not known whether the District Attorney will decide to pursue criminal charges against the owner and clean-up contractor. During the 81st session of the 1992 Fund Executive Committee in November 2023, the delegation of Greece referred to the legal actions brought by the Greek State and the re-calculation of the cost for the disposal of liquid waste to the amount of EUR 317 389.54. A settlement offer for that claim was with the Greek State and both the State and the IOPC Funds were hopeful that the matter would be concluded before further legal costs were incurred.



EUR 16 071 352

Compensation paid
by 1992 Fund as at
31/12/23

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)

On 23 June 2018, the oil and chemical tanker *Bow Jubail* (23 196 GT) collided with a jetty owned by LBC Tank Terminals in Rotterdam, the Netherlands. As a consequence of the collision, a leak occurred in the area of the starboard bunker tank, resulting in a spill of oil into the harbour.

At the time of the incident, the *Bow Jubail* was in ballast, however, on the voyage prior to the incident, from Houston to Rotterdam via Antwerp, the *Bow Jubail* carried 'oil' as referred to in the 1992 CLC.

On 31 March 2023, a judgment was issued by the Supreme Court of the Netherlands in relation to the *Bow Jubail* incident, in which it was confirmed that the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001 (Bunkers Convention 2001) did not apply to this incident and that the *Bow Jubail* therefore qualified as a 'ship' as defined under the 1992 CLC. It is anticipated that the total pollution damage will exceed the limit applicable to the ship under the 1992 CLC, in which case the 1992 Fund Convention will apply to this incident.

STOPIA 2006 will apply to this case and the 1992 Fund will be indemnified by the shipowner up to a limit of SDR 20 million. The Director has stated that this case might have implications for the definition of a ship under the 1992 CLC or a ship under the Bunkers Convention 2001.

In May 2023, the 1992 Fund Executive Committee authorised the Director to make payments in respect of this incident. At the first hearing of the Rotterdam Limitation Court in September 2023, some of the claimants argued that the guarantee to be provided by the shipowner's P&I Club should also include legal interest accruing between the date of the incident and the date of the setting up the limitation fund. In October 2023, the Rotterdam District Court rejected the shipowner's application to limit its liability to the amount of the 1992 CLC.

In December 2023, the shipowner submitted a new application to the Rotterdam District Court to limit its liability under the 1992 CLC, to an amount which included interest counting from the start of the day after the incident up to the start of the day following which the fund would be constituted.



New incident: *Princess Empress*

On 28 February 2023, the Philippine-flagged *Princess Empress* (508 GT) sank in rough seas off the coast of Naujan, Oriental Mindoro whilst carrying 800 000 litres of fuel oil as cargo. Subsequently, an oil spill was detected around the location of the ship, which extended to other areas, causing pollution damage.

Ship	<i>Princess Empress</i>
Date of incident	28.02.2023
Place of incident	Oriental Mindoro, the Philippines
Cause of incident	Engine failure
Quantity of oil spilled	Unknown
Area affected	Oriental Mindoro, Western Visaya
Flag State of ship	The Philippines
Gross tonnage	508
P&I Insurer	Shipowners' P&I Club

PHP 1 091 million

Compensation paid
by 1992 Fund as at
31/12/2023

OVERVIEW OF THE INCIDENT

The pollution damage resulting from the *Princess Empress* incident affected the coasts of Oriental Mindoro to varying degrees. The oil also travelled to the Caluya archipelago, which is situated south of Mindoro Island, affecting the islands of Semirara and Liwagao.

A high proportion of the population in the affected area rely on small-scale fisheries-related activities, including subsistence fishing. Some mangrove areas have been affected by the pollution, particularly on Semirara island and there may also have been an impact on the tourism sector, since some of the affected areas have a number of tourism-dependent businesses.

The Philippines is a Party to both the 1992 CLC and the 1992 Fund Convention. The 1992 Fund has therefore been working closely with the insurer of the ship, the Shipowners' P&I Club, and the Government of the Philippines from the outset.

The limitation amount applicable to the *Princess Empress* incident in accordance with the 1992 CLC is SDR 4.51 million, but the owner of the *Princess Empress* is a Party to the Small Tanker Oil Pollution Indemnification Agreement (STOPIA) 2006 (as amended 2017), whereby the limitation amount applicable to the tanker is increased, on a voluntary basis, to SDR 20 million.

Claims related to this incident have exceeded the limit of liability of the shipowner under the 1992 CLC. Although the 1992 Fund started paying compensation when the 1992 CLC limit was reached, the shipowner's insurer has reimbursed the 1992 Fund for the amounts paid in compensation, up to the STOPIA 2006 limit of SDR 20 million. Now that the STOPIA 2006 limit has also been reached, no further reimbursement will be made, and the 1992 Fund will continue paying compensation until all established claims have been paid up to the 1992 Fund Convention limit.

At the time of the November 2023 session of the 1992 Fund Executive Committee, over 35 000 claims had been received, totalling approximately PHP 1.4 billion, USD 26.4 million and EUR 2.7 million. Some PHP 42.5 million, USD 24.8 million and EUR 2.6 million had been paid in compensation.

Read how the key developments in this incident unfolded during 2023 and how the Club and the IOPC Funds have worked together to reach claimants over the next few pages.

New incident:
Princess Empress



Liliana Monsave
Deputy Director/Head of Claims

This case is a good example of how the compensation regime should work. Firstly, it involves a State which has not only opted to ratify the Conventions, demonstrating preparedness and offering protection to those affected, but the Philippines is also actively represented at IOPC Funds' meetings and engages regularly with the Secretariat. That existing relationship between the IOPC Funds and the Member State greatly facilitated effective communication immediately following the incident and as the case has developed.

I am also very pleased to see how effectively the IOPC Funds and the P&I Club have cooperated in the management of the incident. This cooperation ensured the quick establishment of a local office, with assistance from a team that was created to overcome communication and geographical barriers. At all times, a positive work ethic and attitude have been maintained, despite the increased workload as a result of the number of claims received. The Member State, the insurer and the IOPC Funds, have worked together to ensure the system functions as intended and compensation reaches claimants.

28.02.2023
INCIDENT OCCURS



IOPC Funds active from outset. Cooperation with Government and ship's insurer. Regular engagement.

FEBRUARY

Joint Claims Submission Office opens in Calapan. International experts and local staff recruited. Claim forms prepared in local language



MARCH



Ana Cuesta
Claims Manager

From the beginning I was very impressed by the proactive approach and professionalism of both the P&I Club's team in Singapore and later also by the Claims Office team in the Philippines. A huge amount of effort was made to reach claimants and the enormous challenges that the team had faced became evident when I visited the affected area and the temporary claims collection stations, which were set up in areas not easy to reach.



NEW APPROACH

Ensuring accessibility to remote claimants by introducing travelling claims offices (claims caravans)

MARCH / APRIL



Pauline Marchand
Head of Claims Submission Office

Setting up a central office supplemented with mobile claims stations to reach claimants in remote areas enabled greater accessibility to and visibility of the compensation regime. Faced with challenging logistics yet with strong organisation and committed staff, the CSO received an excellent response from claimants and government agencies alike.

IOPC Funds' Director and incident Claims Manager visit affected areas



APRIL

New incident:
Princess Empress



At-sea and onshore response operations officially end



MAY

1992 Fund Executive Committee authorises Director to make payments in respect of losses arising out of this incident.

1992 Fund signs an agreement on interim payments with the Shipowners' Club, to be applied retrospectively.



MAY



Britt Pickering
Director of Claims and Legal, Shipowners' P&I Club

The collaboration between the IOPC Funds and the Shipowners' Club post the *Princess Empress* casualty is testament to effective risk management in the maritime industry. Our strong co-operation, communication and joint coordination has, and continues to be fundamental to facilitating the compensation process for affected parties, ensuring swift and equitable relief for impacted communities and ecosystems.

JUNE

Operation to remove remaining oil from wreck completed.

Deputy Director/ Head of Claims and Incident Claims Manager visit affected area

JULY

Government lifts remaining fishing ban.



Mark Homan
Claims Manager

In this case the claimants do not have access to traditional banking services. This required us to investigate a wide range of alternative options, including banking applications and payment remittance services, to ensure safety of transfer, compliance with relevant legislation and authorities.

NEW APPROACH

Provisional payments in the fisheries sector commence via a remittance service since the eligible claimants have no bank accounts.

Claims Submission Office remains open to receive new claims.

SEPTEMBER

Conclusion of the initial collection of claims by caravans.

OCTOBER

Delivery of claims workshop in Manila for government agencies to help with the submission of potential Government claims

SEPTEMBER



Asayehegn Woldegebrail
Finance Manager

Ensuring swift payment of compensation is always a priority for the organisation. Having settled on cash remittance services we set about adapting our usual payment practices to implement a new, but still efficient, reliable and practical service to pay compensation. Our first batch of payments were successfully received in September 2023.

NOVEMBER

Provisional payments in the fisheries sector completed except for claimants in one municipality.



2024 onwards

Continued cooperation with Government and Insurer

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 below. A system of deferred

invoicing exists whereby the total amount to be levied in contributions for a given calendar year is fixed by the governing bodies, however, they may also decide that only a part of that amount should be invoiced for payment by 1 March. The Director is authorised to invoice the remaining amount, or a part thereof, later in the year if it is required to meet the Funds' financial obligations.

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

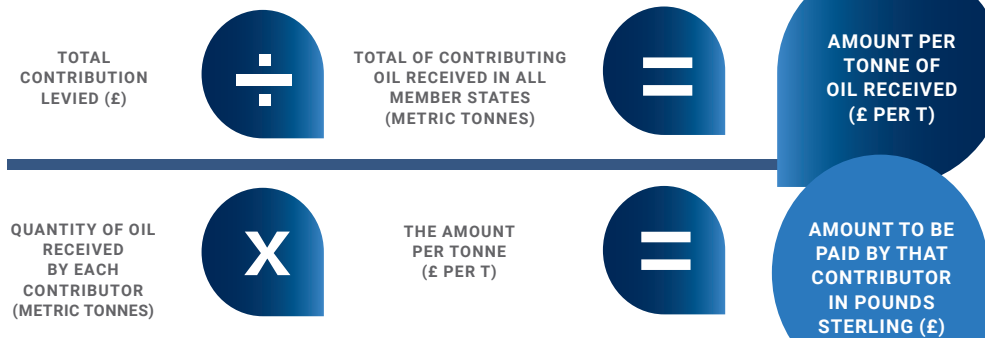
The process in brief



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.

Calculation of contributions



For further information please visit the website: iopcfunds.org

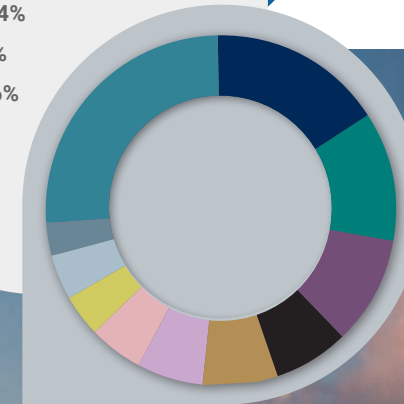
1992 Fund

At its November 2023 session, the 1992 Fund Assembly decided to levy contributions to the General Fund of £10 million, payable by 1 March 2024. It also decided to levy contributions of £20 million to the *Bow Jubail* Major Claims Fund, payable by 1 March 2024 and to levy contributions of £10 million to the *Princess Empress* Major Claims Fund, payable by 1 March 2024. It further decided not to levy contributions to the *Prestige*, *Alfa I*, *Nesa R3*, *Agia Zoni II* or Incident in Israel Major Claims Funds.

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

CONTRIBUTING OIL RECEIVED IN THE CALENDAR YEAR 2022 IN THE TERRITORIES OF STATES WHICH WERE MEMBERS OF THE 1992 FUND ON 31 DECEMBER 2023

- India 16%
- Japan 12%
- Republic of Korea 10%
- Italy 7%
- Netherlands 7%
- Singapore 6%
- Spain 5%
- United Kingdom 4%
- Thailand 4%
- France 3%
- Others 26%



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.

No contributing oil was received during 2022 in the territories of the following 38 Member States:

MEMBER STATE

Benin	Namibia
Cabo Verde	Nauru
Congo	Nigeria
Cook Islands	Oman
Costa Rica	Russian Federation
Gabon	Saint Kitts and Nevis
Georgia	Saint Vincent and the Grenadines
Ghana	Samoa
Grenada	San Marino
Hungary	Seychelles
Iceland	Sierra Leone
Kenya	Slovakia
Latvia	Slovenia
Liberia	Switzerland
Luxembourg	The Gambia
Maldives	Tonga
Marshall Islands	Trinidad and Tobago
Monaco	Tuvalu
Montenegro	Vanuatu

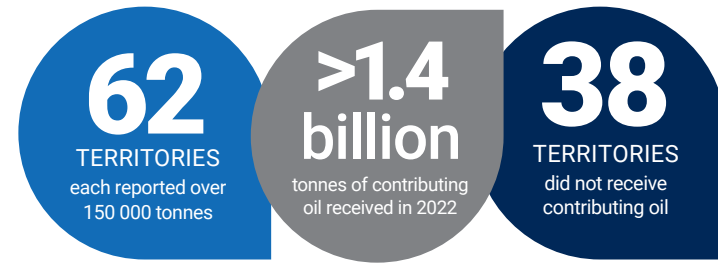


Claire Montgomery
Chief of Finance

We work in cycles in finance, with the flow from oil report to contributions to compensation obviously being the most important one. Without the oil reports, we can't invoice for contributions. Without contributions, we can't pay compensation. The cycle is simple, and most of our Member States and contributors are prompt and cooperative and we really appreciate that. At the same time, we remain available to provide support to those States with outstanding reports or contributions to help them fulfil their obligations under the Convention and keep the cycle moving as intended.

1992 Fund

Contributing oil received in the calendar year 2022 in the territories of States which were Members of the 1992 Fund on 31 December 2023



MEMBER STATE	CONTRIBUTING OIL RECEIVED IN 2022 (TONNES)	% OF TOTAL
India	230 693 720	16.30%
Japan	167 121 099	11.81%
Republic of Korea	140 470 843	9.93%
Italy	103 657 735	7.33%
Netherlands*	93 931 793	6.64%
Singapore	85 922 227	6.07%
Spain	72 553 039	5.13%
United Kingdom	51 041 261	3.61%
Thailand	50 638 126	3.58%
France	44 613 323	3.15%
Canada	42 940 407	3.04%
Türkiye	36 788 811	2.60%
United Arab Emirates	31 478 486	2.23%
Germany	25 367 933	1.79%
Greece	25 292 040	1.79%
Sweden	19 629 299	1.39%
Poland	17 413 241	1.23%
Iran (Islamic Republic of)	16 113 042	1.14%
Israel	15 748 990	1.11%
Australia	10 370 148	0.73%
Argentina**	10 272 582	0.73%
Portugal	10 094 750	0.71%
Finland	9 996 541	0.71%
Brunei Darussalam	8 564 735	0.61%
Lithuania	8 196 597	0.58%
South Africa	7 253 278	0.51%
Denmark	7 223 111	0.51%
Bulgaria	7 171 670	0.51%
Philippines	6 418 684	0.45%
Bahamas	6 315 030	0.45%
Croatia	5 894 893	0.42%
China ***	5 044 290	0.36%
Venezuela (Bolivarian Republic of)	4 935 036	0.35%
Norway	4 625 512	0.33%
Mexico	3 097 306	0.22%
Ireland	2 988 611	0.21%
Malaysia**	2 332 152	0.16%

MEMBER STATE	CONTRIBUTING OIL RECEIVED IN 2022 (TONNES)	% OF TOTAL
Ecuador	2 274 787	0.16%
Uruguay	2 034 701	0.14%
Mozambique	1 885 016	0.13%
Panama**	1 876 693	0.13%
Estonia	1 828 828	0.13%
Malta	1 583 676	0.11%
Colombia	1 427 250	0.10%
Morocco	1 222 444	0.09%
Jamaica	1 101 425	0.08%
New Zealand	1 019 356	0.07%
Nicaragua	902 692	0.06%
Qatar	878 875	0.06%
Sri Lanka	767 972	0.05%
Cyprus	648 286	0.05%
Papua New Guinea	607 412	0.04%
Belgium	415 316	0.03%
Mauritius	382 527	0.03%
Algeria	341 948	0.02%
Mauritania	303 481	0.02%
Antigua and Barbuda	240 562	0.02%
Aruba (Kingdom of the Netherlands)	223 621	0.02%
Guyana	196 804	0.01%
Barbados	191 020	0.01%
Madagascar	165 970	0.01%
Curaçao (Kingdom of the Netherlands)	153 671	0.01%
Total	1 414 884 674	

* 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 2022 reports were received from the Member States by 31 December 2023.

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

As at 31 December 2023, submission of oil reports for 2022 or a previous year had not been completed for the following 30 Member States of the 1992 Fund:

MEMBER STATE	YEAR FOR WHICH REPORTS ARE OUTSTANDING
Albania	2013–2022
Angola	2022
Argentina*	2018–2022
Bahrain	2018–2022
Belize	2022
Cambodia	2021, 2022
Cameroon	2020, 2022
Comoros	2022
Côte d'Ivoire	2022
Djibouti	2017–2022
Dominica	2020–2022
Dominican Republic	1999–2022
Fiji	2022
Guinea	2018–2022
Guinea-Bissau	2022
Kiribati	2022
Liberia	2019
Malaysia*	2021, 2022
Mauritania	2016, 2017
Nicaragua	2021
Niue	2022
Palau	2021, 2022
Panama*	2018–2022
Saint Lucia	2004–2013, 2021–2022
Senegal	2019–2022
Serbia	2022
Sint Maarten (Kingdom of the Netherlands)	2019–2022
Syrian Arab Republic	2009–2022
Tunisia	2022
United Republic of Tanzania	2021, 2022

*partial submissions have been received

The vast majority of Member States submit their reports to the IOPC Funds. However, as at 31 December 2023, there were nine States with outstanding reports for five or more years. The Secretariat continues to aid the relevant reporting authorities in these States to obtain the outstanding reports and assist them in fulfilling their obligations under the 1992 Fund Convention.



Dominican Republic, which had not submitted any reports for 24 years since joining the 1992 Fund in 2000, submitted oil reports on 15 February 2022. The Secretariat has analysed the data and has been trying to liaise with the Member State to ensure that the correct quantities of oil will be recorded. Once confirmed, the corresponding contributions will be invoiced.

Syrian Arab Republic has not submitted any reports to the 1992 Fund since becoming a Member State.

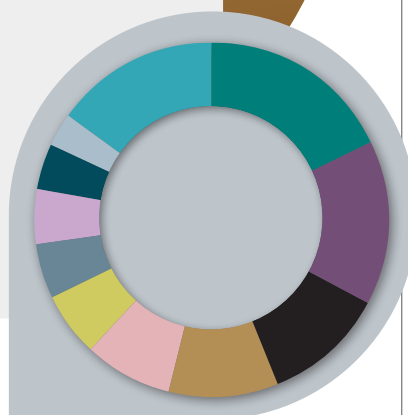
Supplementary Fund

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 2022, eight States received less than one million tonnes of oil and would have been invoiced if contributions had been levied.

At its November 2023 session, the Supplementary Fund Assembly decided not to levy 2023 contributions, since there had been no incidents involving the Supplementary Fund.

CONTRIBUTING OIL RECEIVED IN SUPPLEMENTARY FUND MEMBER STATES IN 2022 (AS REPORTED BY 31 DECEMBER 2023)

- Japan 18%
- Republic of Korea 15%
- Italy 11%
- Kingdom of the Netherlands 10%
- Spain 8%
- United Kingdom 6%
- France 5%
- Canada 5%
- Türkiye 4%
- Germany 3%
- Others 15%



Contributing oil received in the calendar year 2022 in the territories of States which were Members of the Supplementary Fund on 31 December 2023



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.

MEMBER STATE	CONTRIBUTING OIL RECEIVED IN 2022 (TONNES)	% OF TOTAL
Japan	167 121 099	18.32%
Republic of Korea	140 470 843	15.40%
Italy	103 657 735	11.36%
Netherlands	93 931 793	10.29%
Spain	72 553 039	7.95%
United Kingdom	51 041 261	5.59%
France	44 613 323	4.89%
Canada	42 940 407	4.71%
Türkiye	36 788 811	4.03%
Germany	25 367 933	2.78%
Greece	25 292 040	2.77%
Sweden	19 629 299	2.15%
Poland	17 413 241	1.91%
Australia	10 370 148	1.14%
Portugal	10 094 750	1.11%
Finland	9 996 541	1.10%
Lithuania	8 196 597	0.90%
Denmark	7 223 111	0.79%
Croatia	5 894 893	0.65%
Norway	4 625 512	0.51%
Ireland	2 988 611	0.33%
Estonia	1 828 828	0.20%
Morocco	1 222 444	0.13%
New Zealand	1 019 356	0.11%
Belgium	1 000 000	0.11%
Barbados	1 000 000	0.11%
Congo (the)	1 000 000	0.11%
Hungary	1 000 000	0.11%
Latvia	1 000 000	0.11%
Montenegro	1 000 000	0.11%
Slovakia	1 000 000	0.11%
Slovenia	1 000 000	0.11%
Total	912 281 615	

Two Member States received less than 1 000 000 tonnes of contributing oil during 2022 but are deemed to have received 1 000 000 tonnes for the purposes of contributions to the Supplementary Fund. Contributors received 415 316 tonnes in Belgium and 191 020 tonnes in Barbados in 2022.

No contributing oil was received during 2022 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:

- Congo
- Hungary
- Latvia
- Montenegro
- Slovakia
- Slovenia

All Member States of the Supplementary Fund had submitted reports for 2022 and all previous years.



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



Annual Academy

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, INTERTANKO, ITOPF and ICS and often includes visits to a number of the supporting organisations' offices and a guided tour of Lloyd's of London.



Induction Course

A half-day induction course aimed at providing delegates to IOPC Funds meetings of the governing bodies with an insight into the function and understanding of what exactly happens in the event of an oil spill.



Regional Lunch Meetings

An informal lunch meeting hosted by the Director at the Funds' Headquarters in London. Organised for London-based representatives of Member and non-Member States and held by specific region. The meeting provides an opportunity for both Member and non-Member States to learn more about the IOPC Funds and the role of Member States in an informal setting.

NEW
for 2023



Webinar Series

The brand new IOPC Funds' webinar series was successfully launched in October 2023. Covering everything from the basic understanding of the Conventions, to the financing of the system, the types of claims that arise from tanker incidents, and the claims submission process, the series is divided into four modules and consists of a total of 11 webinars. Each event consists of a short 15-minute presentation, followed by 15 minutes of questions. This initiative has proven very popular, attracting a large and varied audience. The full programme for the series, which will continue in 2024 is available on the IOPC Funds' website.

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. The Secretariat also welcomes informal in-house visits from Member States, which strengthen our engagement with States.



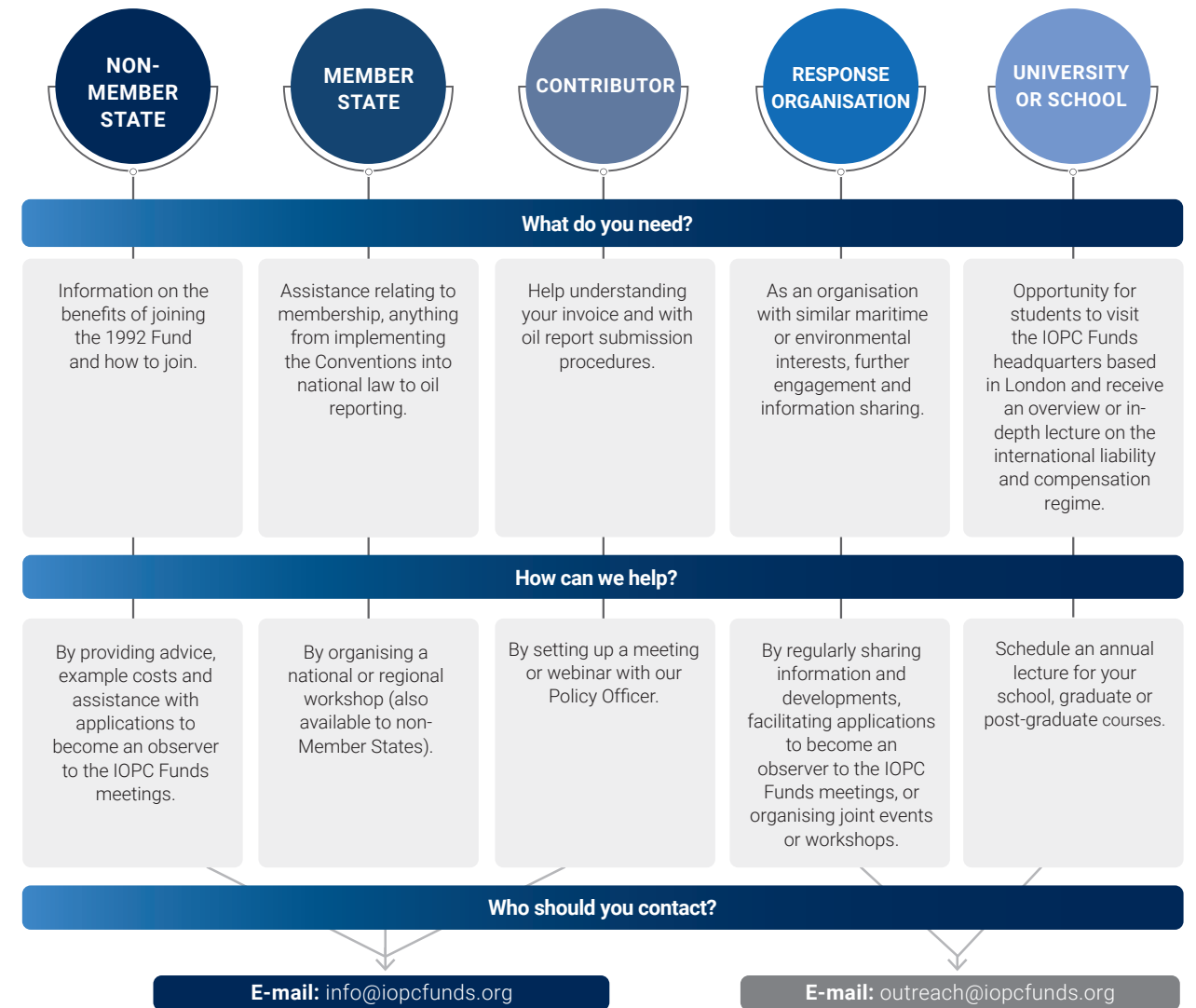
Short introductory video

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.

We also offer a variety of publications. See back cover for full catalogue.

Want to learn more?

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



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	STAY INFORMED FOLLOW US ON X FOLLOW US ON LINKEDIN SIGN UP TO NEWS AND NOTIFICATIONS	THE IOPC FUNDS IN DEPTH TEXT OF CONVENTIONS, GUIDELINES FOR MEMBER STATES DOCUMENT SERVICES SECTION	FIND OUT MORE CONTACT THE SECRETARIAT TO ARRANGE A MEETING: externalrelations@iopcfunds.org
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Available in English, French and Spanish
iopcfunds.org

Sign up to the IOPC Funds Induction Course

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

External Relations

Main Activities in 2023

KEY:  Physical  Remote



7-11 Mar
Visit by the Director to the Directorate General of Shipping, Ministry of Ports, Shipping and Waterways in Mumbai, India.

21 Mar
Participation in an information day organised by Cedre, in Paris, France.



3-5 Feb
Visit by the Director to the Marine Department of Thailand in Bangkok, Thailand.

7 Feb
Delivery of a presentation to the Sea Alarm Foundation.

1 Mar
Hosting of an informal lunch meeting for UK-based representatives of States from the European region at the IOPC Funds' offices.

28-30 Mar
Participation in a three-day technical and claims for compensation workshop organised by ITOPF for the Dirección General de Capitanías y Guardacostas (DICAPI), in Peru, Lima.



6 Mar
Delivery of an online workshop to the Maritime Port Authority of Brunei Darussalam.

24 Apr
Participation in a webinar on 'Ship-Sourced Marine Pollution: Policies and Challenges' co-organised by EcoWaste Coalition, Greenpeace Philippines, Oceana Philippines and the International Pollutants Elimination Network-Southeast and East Asia.



15-17 May
Participation in an oil spill response training event organised by VIVO Energy in Mohammedia, Morocco.



16-18 May
Participation in the 5th Adriatic Spill Conference and Exhibition, ADRIASPILLCON 2023 which took place in Opatija, Croatia.

8 Jun
Participation in a symposium on compensation for damage to the marine environment, organised by the University of the Philippines Law Center.



University visits

The Secretariat also delivered lectures to the International Maritime Law Institute (IMLI), the University of Deusto, Rotterdam University, the University College of Ghent, the Polytechnic University of Catalonia, the World Maritime University (WMU) and to students of the International Foundation for the Law of the Sea (IFLOS) annual summer academy.

12-16 Jun
Delivery of IOPC Funds Annual Academy in London. Attended by 15 Member States of the 1992 Fund, representing Ministries, Maritime Authorities and others. Presentations delivered by several members of the Secretariat, by each of the supporters of the Academy, as well as the West of England Club. A guided tour of the Lloyd's of London building was also organised.

26-28 Jun
Visit by the Director to the Regional Meeting of Directors/Heads of Maritime Administrations (DIHMAR) of the Caribbean in St John's, Antigua and Barbuda.

12 Jul
Hosting of an informal lunch meeting for UK-based representatives of States from the Latin American and Caribbean region at the IOPC Funds' offices.



Week of 4 Sep
Visit by the Director and Senior Claims Manager to New Zealand and meeting with government representatives.



11-15 Sep
Participation in Spillcon 2023, the international oil spill conference for the Asia-Pacific region in Brisbane, Australia.

28 Sep
Participation in an online event organised by the Maritime Authority of Colombia (DIMAR).

24 Oct
Delivery of Induction Course for delegates to IOPC Funds' meetings at the Fund's Headquarters in London. 20 States were represented.

16 Nov
Participation in the annual ITOPF Board meeting in Houston, United States.

14-15 Nov
Participation in a two-day workshop centred around claims and compensation related to the *Princess Empress* incident in Manila, Philippines.

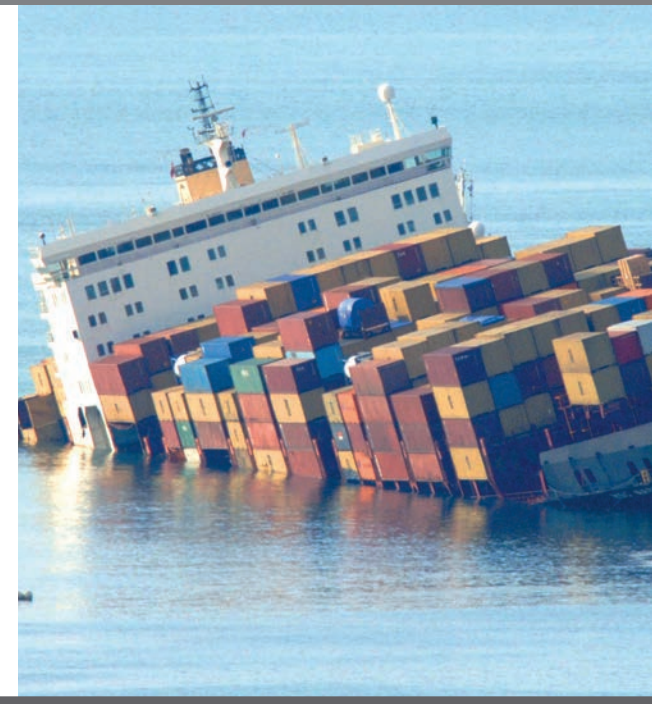
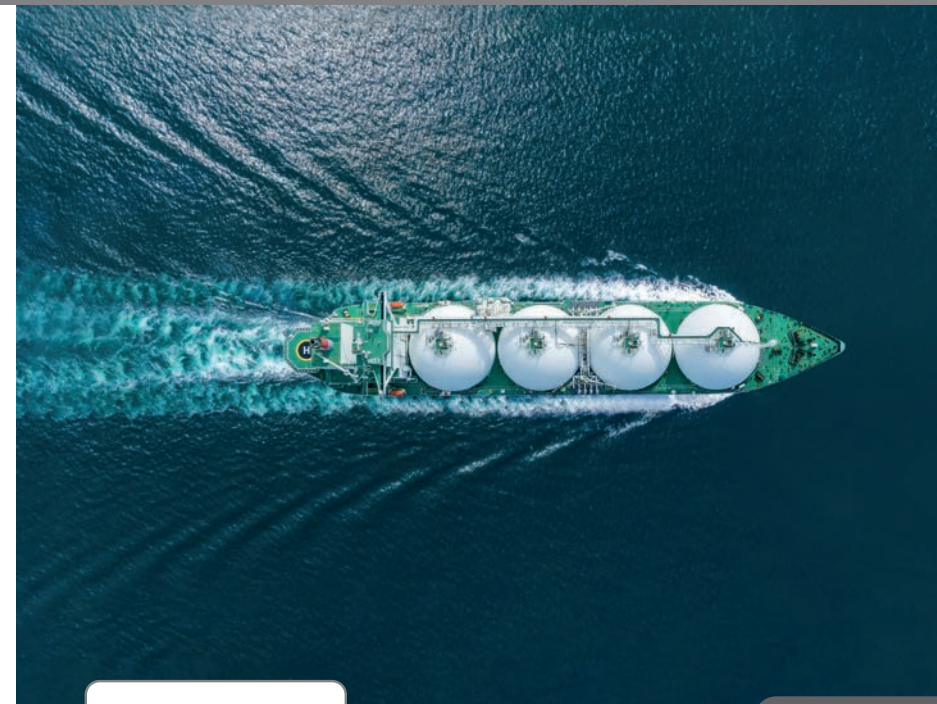
29 Nov
Visit by participants of the Norwegian Shipowners' Association maritime trainee programme to the IOPC Funds' offices.

12 Dec
Delivery of an online presentation to the Adriatic Training and Research Centre for accidental marine pollution preparedness and response (ATRAC).

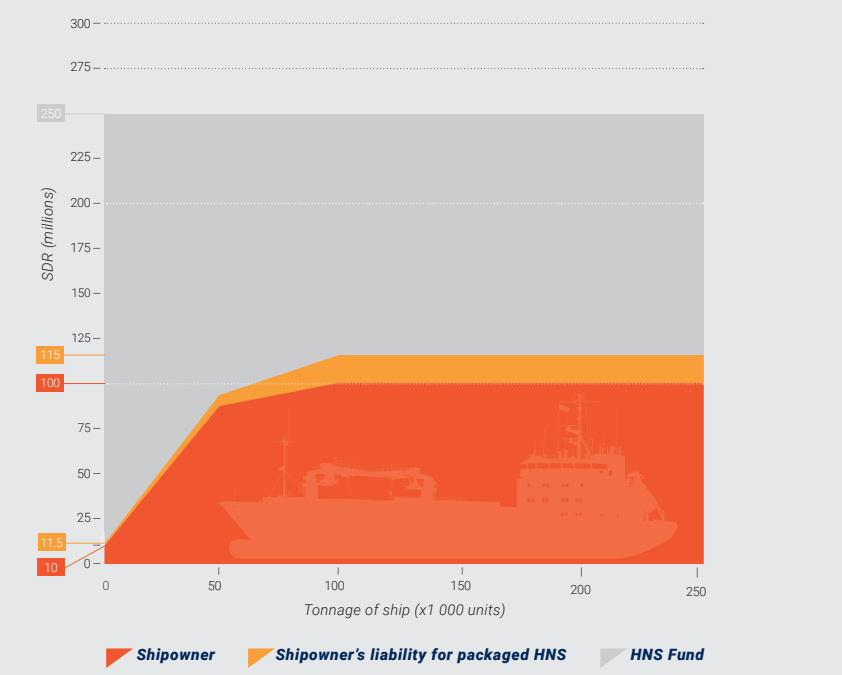
The 2010 HNS Convention

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) is modelled on the highly successful international liability and compensation regime for oil pollution damage. When it enters into force, it will establish an international regime for HNS damage, the cost of which will be shared between shipowners and HNS cargo receivers.

The transport of HNS by sea is a major trade. Chemicals and other products underpin many manufacturing processes and IMO regulations ensure their safe transport. However, incidents can occasionally occur and the 2010 HNS Convention is needed to ensure that those who might suffer any damage will have access to a comprehensive and global liability and compensation regime, similar to that available to those affected by oil spills.



Maximum limits of compensation



What are HNS?

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

- Oils
- Other liquid substances defined as noxious or dangerous
- Solid bulk materials defined as possessing chemical hazards
- Liquefied Gases
- Dangerous, hazardous and harmful materials and substances carried in packaged form or in containers

50 years of Container ship growth

1968 *Encounter Bay* 1,530 teu

2006 *Emma Maersk* 11,000+ teu

2021 *HMM Algeciras* 24,000 teu

Container-carrying capacity has increased by around 1500% since 1968 and has almost doubled over the last decade.

Entry into Force Conditions

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

12 STATES HAVE RATIFIED

There are 4 Contracting STATES each with no less than 2 MILLION units of gross tonnage

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

Role of the IOPC Funds

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 which adopted the 2010 HNS Protocol.

Status of Convention

The adoption of the Protocol to the HNS Convention in 2010 was intended to overcome some of the obstacles to ratification, but progress towards entry into force continued to be slow. However, in recent years, the Secretariats of the IOPC Funds and IMO have made significant efforts to facilitate the entry into force and implementation of the Convention,

producing technical and educational materials, delivering workshops, liaising with States and industry and offering assistance with implementation and reporting issues. With the support of a number of States who are committed to the Convention, there has been an increase in momentum and positive steps by several other States towards ratification.

Contracting States as at 1 February 2024

	Norway (21/4/2017)		South Africa (16/7/2019)
	Canada (23/4/2018)		Estonia (10/1/2022)
	Türkiye (23/4/2018)		France (23/10/2023)
	Denmark (28/6/2018)		Slovakia (20/11/2023)

Amongst the criteria for the Convention's entry into force, at least 12 States are required to ratify or accede to the Protocol, four of which must each have a merchant shipping fleet of no less than 2 million units of gross tonnage. Of the eight States so far, four of them do meet that requirement. Regarding the total quantity of at least 40 million tonnes of HNS cargo that would be contributing to the general account, the total figure provided by the eight Contracting States as at 1 February 2024 is 17.5 million tonnes.

Recent progress in brief



2010

Adoption of Protocol to the HNS Convention in 2010 to overcome some of the obstacles to ratification



2017

Norway became first State to ratify the 2010 HNS Protocol and an EU Council decision formally encouraged EU Member States to become parties to the Convention.



2018

Canada, Denmark and Türkiye became Contracting States. They, and Norway reported more than 2 million units of gross tonnage, fulfilling one of the conditions for entry into force.



2019

South Africa became a Contracting State



2022

Estonia became a Contracting State
Action plan issued by IOPC Funds Secretariat to fully prepare for the entry into force of the Convention.
1992 Fund Assembly approved increase to budget for HNS matters, recognising entry into force is expected in the near future.



2023

France and Slovakia became Contracting States
Progress made with States on finding simplified approaches and solutions to some of the reporting issues encountered. IOPC Funds turned its focus to supporting those States with the practical aspects of implementing the Convention.
1992 Fund Assembly approved further increase to budget for HNS matters, recognising entry into force is expected in the near future and providing the Secretariat with more capacity to implement key projects in 2024-25, such as the online reporting and financing system.

Activities involving the IOPC Funds in 2023

Throughout year

Delivery of presentations to Universities, such as the World Maritime University in June, and other institutions to inform and create awareness of this important treaty as its entry into force approaches.

Regular promotion of the importance of the 2010 HNS Convention during workshops and activities relating to the international liability and compensation regime for oil pollution damage.

Various meetings of the informal working group, led by IMO and IOPC Funds, to discuss the handling of claims related to HNS incidents and, in particular, the preparation of a draft Claims Manual.

April 2023

Organisation of a 2-day workshop by Canada in co-operation with IMO and the IOPC Funds. Attended by over 200 representatives from States and industry, the event focussed on assisting States in their work towards ratification of the 2010 HNS Protocol, with particular emphasis on preparing implementing legislation and HNS cargo reporting. During the second day of the workshop, regional break-out groups were organised to allow for exchanges, sharing of information and to work through common issues.

September 2023

Delivery of a webinar and training exercise on the 2010 HNS Convention to the Nigerian Maritime Administration and Safety Agency (NIMASA). The event was attended by some 20 representatives from various Departments within the Agency, including those working within a dedicated HNS Unit.



Types of claims

Reasonable measures to reinstate the environment



Property Damage/Economic Loss

Clean up activities and preventative measures



Loss of life or Personal injury

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 in May and includes an archive facility for access to previous years' lists of substances.

Have a question or comment about the HNS Convention?

Use the HNS blog. It allows 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.

Require assistance?

Contact either the IOPC Funds or the IMO. Assistance is offered to both 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. National or regional workshops can also be delivered in person or remotely to widen understanding of the Convention and assist with implementation issues.

Want to find out more?

Visit www.hnsconvention.org
Available in English, French and Spanish



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- 50 Observers to sessions of the governing bodies
- 52 Sessions of the governing bodies in 2023

Governing Bodies

Structure of the governing bodies and post-holders in 2023

STRUCTURE

1992 FUND ASSEMBLY

(Administrative Council if no quorum)

Composition:

All 1992 Fund Member States

Chair:

Antonio Bandini (Italy)

First Vice-Chair:

Tomotaka Fujita (Japan)

Second Vice-Chair:

Sipho Mbatha (South Africa)

Frequency of meetings:

Normally twice a year. One regular session, every October/November. Additional extraordinary session earlier in year, if required.

Role:

Supreme organ of Fund deciding on: budget, contributions, appointment of Director, External Auditor, adoption of internal and financial regulations, policy, etc.

1992 FUND EXECUTIVE COMMITTEE

Composition:

15 elected Member States, 7 from among the 11 largest oil receiving States and 8 from the other Member States, taking into account an equitable geographical distribution.

Chair:

Samuel Soo (Singapore)

Vice-Chair

Karen Andersen (Denmark)

Frequency of meetings:

Normally twice a year.

Role:

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

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

SUPPLEMENTARY FUND ASSEMBLY

(Administrative Council if no quorum)

Composition:

All Supplementary Fund Member States

Chair:

François Marier (Canada)

First Vice-Chair:

Andrew Angel (United Kingdom)

Second Vice-Chair:

Emre Dinçer (Türkiye)

Frequency of meetings:

Often twice a year. One regular session, every October/November. Additional extraordinary session earlier in the year, if required.

Role:

Supreme organ of Fund deciding on: budget; contribution; adoption of internal and financial regulations, policy; etc.

WORKING GROUPS

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

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 2024 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 opposite.

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 no later than five working days prior to the meeting



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 prior 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. This will include any amendments made to the draft document on the final day of the meeting.

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 X (@IOPCFunds) and LinkedIn.

ATTENDANCE

Be seated in the conference hall promptly

When: No later than 9.30am

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.

STATEMENTS

Forward any lengthy statements to the Secretariat by email 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.

BEFORE THE MEETING

DURING THE MEETING

AFTER THE MEETING

For further information email conference@iopcfunds.org

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 2023

- *Bolivia (Plurinational State of)*
- *Brazil*
- *Chile*
- *Democratic People's Republic of Korea*
- *Egypt*
- *Guatemala*
- *Honduras*
- *Indonesia*
- *Kuwait*
- *Lebanon*
- *Pakistan*
- *Peru*
- *Saudi Arabia*
- *Ukraine*
- *United States*



Relations with International Organisations

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



Non-governmental organisations granted observer status as at 31 December 2023

- *BIMCO*
- *Cedre*
- *Comité Maritime International (CMI)*
- *Conference of Peripheral Maritime Regions (CPMR)*
- *European Chemical Industry Council (Cefic)*
- *International Association of Classification Societies Ltd (IACS)*
- *International Chamber of Shipping (ICS)*
- *Ibero-American Institute of Maritime Law (IIDM)*
- *International Group of P&I Associations*
- *International Salvage Union (ISU)*
- *International Spill Control Organization (ISCO)*
- *International Union of Marine Insurance (IUMI)*
- *INTERTANKO*
- *ITOPF*
- *Oil Companies International Marine Forum (OCIMF)*
- *Sea Alarm Foundation (Sea Alarm)*
- *World Liquid Gas Association (WLGA)*

Intergovernmental organisations granted observer status as at 31 December 2023

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

The governing bodies undertake a review of all non-governmental organisations holding observer status with the IOPC Funds every three years.

Sessions of the governing bodies in 2023

The IOPC Funds held meetings in May and November in 2023, both in person.



1992 Fund Administrative Council and 1992 Fund Assembly

In the absence of a quorum at the opening of the 27th extraordinary session of the 1992 Fund Assembly, the 1992 Fund Administrative Council was instead convened to act on behalf of the Assembly from 23 to 25 May 2023. However, a quorum was achieved by the Assembly at its 28th session, held from 7 to 10 November 2023.

At each session the governing bodies noted developments and took decisions in respect of a number of items, including:

A report on the lessons learned from the Trident Star incident

This incident closed in 2022 and the 1992 Fund had met with the Shipowners' Club, the insurers of the ship, to discuss and review the handling of the incident, to identify lessons to be learned and to improve the procedures for future spills, especially incidents for which STOPIA 2006 applies. The conclusions of that meeting were presented to the governing bodies.



The financing of expenditure for the Princess Empress and Bow Jubail Major Claims Funds

Following the decisions by the 1992 Fund Executive Committee to authorise the Director to make payments of compensation in respect of these two incidents, the 1992 Fund Administrative Council approved the Director's proposal that any expenditure exceeding the amount payable from the General Fund in respect of either incident prior to 1 March 2024, should be financed through a loan to the Princess Empress Major Claims Fund or the Bow Jubail Major Claims Fund accordingly.

Application of Resolution N°12 in respect of the Netherlands

As at 22 May 2023, with the exception of one contributor in Bonaire and Sint Eustatius, the Netherlands had completed the submission of oil reports for 2021 and 2022. However, it was noted that reports from Bonaire and Sint Eustatius were outstanding for the years 2004 to 2009 for two contributors, and for 2019 to 2021 for one contributor. In light of the Bow Jubail incident, the Director drew the Administrative Council's attention to 1992 Fund Resolution N°12 which provides that where a State is responsible for two or more oil reports in arrears, any claim submitted by the Administration of that State will be assessed for admissibility, but actual payment will be deferred pending rectification of the reporting deficiency. The 1992 Fund Administrative Council noted that the Government of the Netherlands was expected to submit a claim for compensation to the 1992 Fund in respect of the Bow Jubail incident and, by a large majority, agreed with the Director's proposal that Resolution N°12 be applied in respect of the Bow Jubail incident. It was agreed that the issue should be revisited at the next session of the 1992 Fund Assembly in November 2023 to take an updated stock of the reporting situation and decide whether eventual payment of claims to the Government of the Netherlands should be deferred pending rectification of the reporting deficiency. At the November meeting it was reported that the authorities of the Netherlands had worked with the Secretariat towards resolving the issues of outstanding oil reports and the Director had thanked them for their cooperation.



Antonio Bandini
(Italy)
Chair since March 2021

Potential impact of international sanctions on the international liability and compensation regime

The Director expressed concern regarding the large number of tankers conducting unsafe operations with little or no insurance. He recalled that flag States, in accordance with the 1992 Fund Convention, were obliged to ensure that ships had proper insurance and that port States, under the Convention, were obliged to ensure that ships entering the port, wherever they were registered, had been properly insured. A number of delegations shared the concerns of the Director and during the debate on this subject, reference was made by Member States to the significant threats to the environment caused by ship-to-ship transfers in open waters, the growth of the so-called 'ghost' or 'dark' fleet and the age and quality of ships within it, the undermining of IMO Conventions and the inevitable increase in the risk of incidents occurring and exposure to the IOPC Funds.

Returning to this subject in November, the Director presented a further document again highlighting his concerns, noting in particular that recent data had shown a substantial increase in the size of the 'ghost fleet' between January and June 2023, which in turn could lead to a higher threat of accidents and oil spills, an increased difficulty in assigning liability when ship-source spills did occur, and a lack of proper insurance or other financial security. The Director reported that the IOPC Funds and its contributors were exposed to an increased risk of having to pay the full compensation for oil spills if no sufficient insurance was available to cover the shipowner's liability.



All documents, including the full records of decisions for the 2023 sessions of the governing bodies are available under the document services section of the funds website.

2010 HNS Convention

An update was provided on the status of the Convention and the action plan of tasks to be undertaken by the 1992 Fund Secretariat in relation to the preparations for its entry into force. A recent note published by the Secretariat was also discussed. The note summarises the main HNS reporting issues to be resolved before entry into force of the Convention and proposes a number of possible solutions to those issues. The Secretariat also reported on the results of two questionnaires which had been issued to contracting States, and those expected to soon ratify, requesting information on their domestic legislation regarding HNS reporting. A summary of the April 2023 workshop, organised by Canada in cooperation with IMO and the IOPC Funds, was also provided. At the November meeting, it was reported that France had deposited an instrument of ratification to the Convention in October 2023 and the 1992 Fund Assembly approved an appropriation of £424 000 in the 2024 budget for the 1992 Fund to cover the costs for the preparations and other administrative tasks in respect of the HNS Fund.

Amendment of Rules of Procedure

Amendments were agreed to the relevant Rules of Procedure of the governing bodies to bring forward the deadline for the submission of credentials for Member State representatives to no later than five working days prior to the opening of the sessions.

Fulfilment of obligations by Member States to submit oil reports and ensure payment of contributions

The latest oil reporting data is set out on pages 32-37. At the time of the meeting, 28 Member States of the 1992 Fund had yet to submit reports on contributing oil received in 2022 and a number of those States had reports outstanding for several years. This issue remains a significant concern to the governing bodies and, as instructed at previous sessions, the Director has, together with the Audit Body, explored ways to incentivise States to fulfil their obligations under the 1992 Conventions.

A new document was presented at the November 2023 meeting identifying 22 States which would currently be subject to 1992 Fund Resolution N°12 and Supplementary Fund Resolution N°3, under which payment of compensation to Government authorities in a State affected by an incident would be postponed if they had outstanding oil reports or unpaid contributions for more than two years. The Director urged all States to submit oil reports in a timely and accurate manner and ensure the prompt payment of contributions since it affects the IOPC Funds' ability to implement an equitable system of levying contributions to ensure that victims of oil pollution in Member States are compensated in full for their loss or damage. To further address this issue, as previously instructed, the Director presented new draft Resolutions for the 1992 Fund and Supplementary Fund authorising him to invoice contributors based on estimates when no oil reports are submitted. The governing bodies approved the Resolutions and consequential amendments to the relevant Internal Regulations.

Key decisions relating to the administration of the organisation

This included the approval of the Financial Statements for 2022 and the adoption of an administrative budget for the 1992 Fund of £5 382 018 for 2024. All decisions relating to the levying of contributions are set out on pages 33 and 36.

Report of the joint Audit Body and appointment of External Auditor

The joint Audit Body presented its annual report to the governing bodies, setting out the work it had undertaken since the October 2022 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. Since this was the last time the current Audit Body would report to the governing bodies, it also set out the conclusions of a review it had undertaken of its functioning over the previous three years. Finally, the Audit Body updated the governing bodies on plans for the appointment of the next External Auditor, which the governing bodies will be required to appoint in November 2024. The Audit Body proposed a specific audit tender evaluation process and timetable, which were both approved, and the governing bodies instructed the Director to seek Member State and commercial firm nominees for the position in particular with regards to the selection process for the External Auditor.

Election of Members of the joint Audit Body

Eight candidates were nominated for appointment as a member of the joint Audit Body. The 1992 Fund Member States voted by secret ballot and elected six members for a period of three years (see pages 18-19).



1992 Fund Executive Committee

The Executive Committee held two sessions (the 80th and 81st) during 2023 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 23 -31.



Samuel Soo
(Singapore)

Chair from November 2021 to November 2023

Princess Empress incident

This new incident involving the 1992 Fund was reported to the Executive Committee at its May 2023 session. The ship had sunk off the coast of the Philippines in March 2023, whilst carrying 800 000 litres of fuel oil as cargo. Subsequently, an oil spill was detected around the location of the ship, which extended to other areas, causing pollution damage. As set out in detail in pages 27-31, the 1992 Fund has been working closely with the insurer, the Shipowners' P&I Club, and the Government of the Philippines. At the time of the meeting, claims for compensation were already expected to surpass the 1992 CLC limit and the STOPIA 2006 limit and the Executive Committee decided to authorise the Director to make payments in respect of losses arising out of this incident. The Committee also authorised him to sign an agreement on interim payments with the Club, which would apply retrospectively. At the time of the November session of the Committee, over 35 500 claims had been received totalling approximately PHP 1.4 billion, USD 26.4 million and EUR 2.7 million. The total amount paid in compensation at the time was reported as PHP 42.5 million, USD 24.8 million and EUR 2.6 million. The Secretariat gave a full presentation on the latest developments and informed the Committee that excellent cooperation with the P&I Club and regular engagement with the Philippine Government and local authorities had greatly facilitated the claims process.

Bow Jubail incident

The Committee was informed at its May session of a March 2023 judgment by the Supreme Court of the Netherlands, in which it was confirmed that the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001 (Bunkers Convention 2001) did not apply to this incident and that the *Bow Jubail* therefore qualified as a ship as defined under the 1992 CLC. Since it is anticipated that the total pollution damage will exceed the limit applicable to the ship under the 1992 CLC, the 1992 Fund Convention will apply to this incident. STOPIA 2006 will also apply to this case and the 1992 Fund will be indemnified by the shipowner up to a limit of SDR 20 million. The Director stated at the May meeting that this case might have implications for the definition of ship under the 1992 CLC or a ship under the Bunkers Convention 2001. The Committee authorised him to make payments in respect of this incident and to sign an agreement on interim payments with the insurer of the ship, the Gard P&I Club, which would apply retrospectively. At its November 2023 session, the Committee was informed of further developments in legal proceedings relating to the possible accrual of interest and the shipowner's application to limit its liability.

Agia Zoni II incident

The latest claims situation relating to this incident was reported to both sessions of the Committee but it was noted that the results of the investigation into the cause of the incident by the Public Prosecutor remained pending. During the November session of the 1992 Fund Executive Committee the delegation of Greece referred to the legal actions brought by the Greek State and the re-calculation of the cost for the disposal of liquid waste to the amount of EUR 317 389.54. A settlement offer for that claim was with the Greek State and both the State and the IOPC Funds were hopeful that the matter would be concluded before further legal costs were incurred.

The Secretariat also provided information in respect of the *Prestige* (Spain, November 2002), *Solar 1* (Philippines, August 2006), *Redfferm* (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), *MT Harcourt* (Nigeria, November 2020) and Incident in Israel (Israel, February 2021) incidents.



François Marier
(Canada)
Chair since October 2022

Supplementary Fund Assembly

The Supplementary Fund Assembly also met twice in 2023, holding its 11th extraordinary session and 20th regular session simultaneously with the governing bodies of the 1992 Fund. It participated in the debates and endorsed or took note of decisions taken by the 1992 Fund Administrative Council and 1992 Fund Assembly in respect of a number of items also relevant to the Supplementary Fund. It approved the Financial Statements of the Supplementary Fund for 2022 and adopted an administrative budget for 2024 of £58 100. A management fee of £42 000 payable to the 1992 Fund or the financial year 2024 was also agreed upon by the Assembly in November 2023.



Dates of future meetings

the weeks of **29 April** and **4 November 2024**

It was decided that the next sessions of the governing bodies would be held during the weeks of 29 April and 4 November 2024. Whilst awaiting the outcome of the trial of holding hybrid meetings by the International Maritime Organization (IMO), meetings of the IOPC Funds will continue to be held in person, complemented by a passive streaming facility.

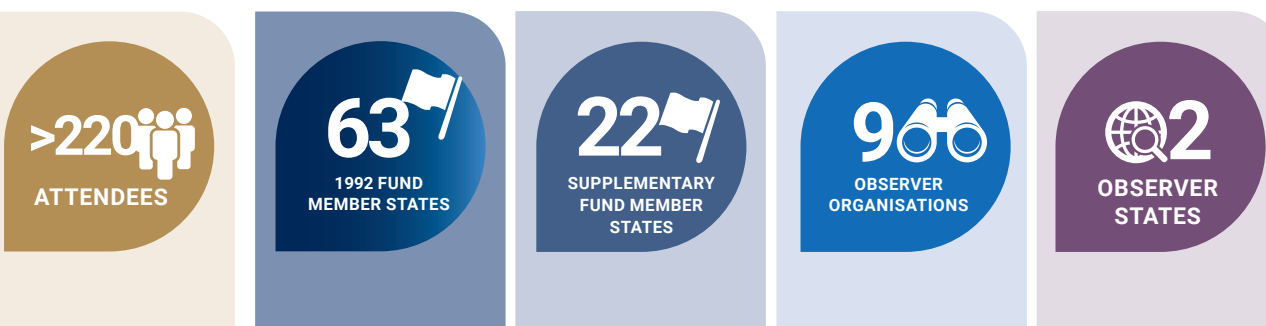
1992 FUND EXECUTIVE COMMITTEE MEMBERS (FROM OCTOBER 2022 UNTIL NOVEMBER 2023)

Algeria	Japan
Bahamas	New Zealand
Canada	Republic of Korea
Colombia	Singapore
Cyprus	South Africa
Denmark	Thailand
France	United Kingdom
Jamaica	

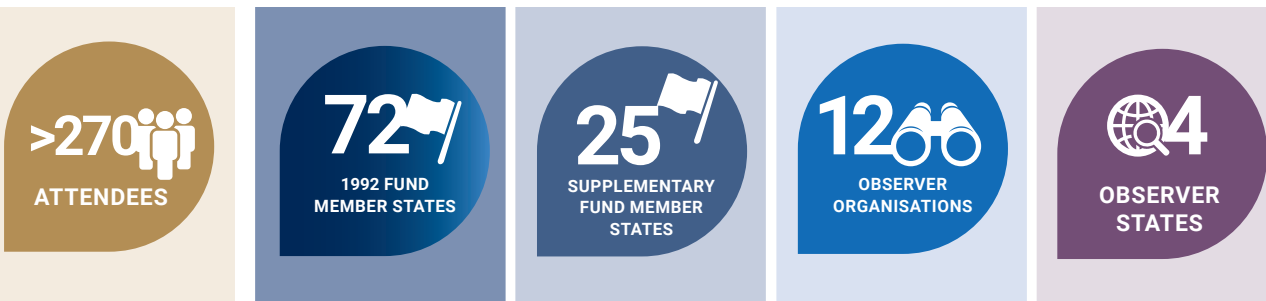
CURRENT 1992 FUND EXECUTIVE COMMITTEE MEMBERS (FROM NOVEMBER 2023 UNTIL NOVEMBER 2024)

Algeria	New Zealand
Bahamas	Poland
Canada	Republic of Korea
Colombia	South Africa
Cyprus	Spain
Denmark	Thailand
India	United Kingdom
Italy	

Attendance at the May 2023 sessions



Attendance at the November 2023 sessions





- 58 Financial Administration
- 59 Financial Highlights for 2023
- 61 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 2023 published in this annual report. The annual accounts are subject to external audit, are reviewed by the Audit Body and presented to the governing bodies for approval at their October/November sessions. Once approved, they are reproduced in the form of an online publication entitled 'Financial Review' and published on the Funds' website at www.iopcfunds.org under the Publications page.



Financial highlights for 2023

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

1992 Fund

REVENUE 2023	
CONTRIBUTIONS DUE IN 2023:	£
General Fund	5 500 000
Incident in Israel Major Claims Fund	3 000 000
Hebei Spirit Major Claims Fund (reimbursement)	(7 300 000)
Previous years' levies	1 200 000
OTHER REVENUE:	£
Reimbursement by P&I Club under STOPIA 2006	8 700 000
Interest on investments	2 100 000
Contributions-in-kind	200 000
Management fee payable by Supplementary Fund	40 000
TOTAL REVENUE	13 440 000

ADMINISTRATIVE COSTS 2023	
JOINT SECRETARIAT:	£
Budget (excluding External Auditor's fees for respective IOPC Funds)	5 093 706
Expenditure (excluding External Auditor's fees for respective IOPC Funds)	4 630 000
External Auditor's fees in respect of 1992 Fund	67 536
TOTAL 1992 FUND ADMINISTRATIVE EXPENDITURE	4 697 536

CLAIMS EXPENDITURES 2023			
INCIDENT	COMPENSATION	CLAIMS-RELATED EXPENDITURE	TOTAL
	£	£	£
Prestige	-	86 300	86 300
Hebei Spirit*	-	12 000	12 000
Alfa I	-	204 500	204 500
Nesa R3	-	31 300	31 300
Agia Zoni II	1 399 800	143 700	1 543 500
Bow Jubail	-	70 200	70 200
Incident in Israel	883 800	133 100	1 016 900
Princess Empress	12 563 500	1 070 100	13 633 600
Other incidents	-	29 500	29 500
TOTAL CLAIMS EXPENDITURE	14 847 100	1 780 700	16 627 800

* including interim reimbursements from the P&I Club for joint costs of £1 116 for Hebei Spirit MCF

Supplementary Fund

REVENUE 2023		£
CONTRIBUTIONS DUE IN 2023:		-
Previous years' levies		6 000
OTHER REVENUE:		
Interest on investments		60 000
TOTAL REVENUE		66 000

EXPENDITURE 2023		£
ADMINISTRATIVE COSTS:		
Management fee payable to 1992 Fund		40 000
External Auditor's fees		5 544
TOTAL SUPPLEMENTARY FUND ADMINISTRATIVE EXPENDITURE		45 544

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 SDR 4 million. These cumulative incident costs include both General Fund and Major Claims Fund expenditure. All compensation is paid in the currency of the incident - see pages 23-3 for more details of each incident.

CUMULATIVE INCIDENT EXPENDITURE TO 31/12/2023 (UNAUDITED)	Prestige	Hebei Spirit	Alfa I	Nesa R3	Agia Zoni II	Bow Jubail	Incident in Israel	Princess Empress
	£	£	£	£	£	£	£	£
Compensation paid to 31/12/22	106 621 900	119 575 604	10 856 126	6 703 800	13 176 452	-	26 589	-
Compensation paid 2023	-	-	-	-	1 399 800	-	883 800	12 563 500
Compensation reimbursed under STOPIA 2006 (as amended 2017)	-	-	-	-	-	-	-	(8 749 800)
Total compensation paid by 1992 Fund	106 621 900	119 575 604	10 856 126	6 703 800	14 576 252	-	910 389	3 813 700
Claims-related expenditure paid to 31/12/22	24 686 593	37 675 816	805 360	457 898	4 264 099	310 484	216 933	-
Claims-related expenditure paid 2023	86 300	12 000	204 500	31 300	143 700	70 200	133 100	1 070 100
Total claims-related expenditure paid	24 772 893	37 687 816	1 009 860	489 198	4 407 799	380 684	350 033	1 070 100
TOTAL expenditure (cash basis, including SDR 4 million paid for each incident from General Fund)	131 394 793	157 263 420	11 865 986	7 192 998	18 984 051	380 684	1 260 422	4 883 800

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	Prestige	Hebei Spirit	Alfa I	Nesa R3	Agia Zoni II	Bow Jubail	Incident in Israel	Princess Empress
	£	£	£	£	£	£	£	£
Fund balance 31/12/23 (accrual basis - see Financial Statements for more details)	372 800	1 122 400	68 700	320 500	27 194 700	-	6 977 600	(878 300)
Provision for compensation at 31/12/2023, added back	697 900	-	-	-	616 300	-	-	225 000
Fund balance 31/12/23 (adjusted cash basis)	1 070 700	1 122 400	68 700	320 500	27 811 000	-	6 977 600	(653 300)

Upon the establishment of a Major Claims Fund, the governing bodies can decide to levy contributions (see page 33 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	Prestige	Hebei Spirit	Alfa I	Nesa R3	Agia Zoni II	Bow Jubail	Incident in Israel	Princess Empress
	£	£	£	£	£	£	£	£
Contributions levied, due by March 2023 or before	119 000 000	124 200 000	8 075 000	3 600 000	41 000 000	-	7 000 000	-
2023 levy, due 1 March 2024	-	-	-	-	-	20 000 000	-	10 000 000
Total contributions levied or approved	119 000 000	124 200 000	8 075 000	3 600 000	41 000 000	20 000 000	7 000 000	10 000 000

Acknowledgements

Photographs

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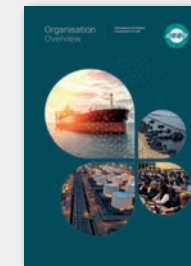
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Other Publications

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

General



Overview Brochure



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

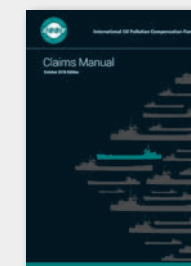


Consideration of the
definition of 'ship'

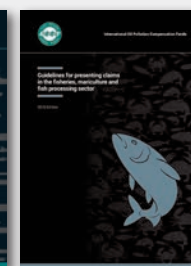


Access
publications here

Claims information pack



Claims Manual



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



Guidelines for presenting
claims in the tourism
sector



Guidelines for presenting
claims for clean up and
preventive measures



Guidelines for presenting
claims for environmental
damage



Example Claim Form



**International Oil Pollution
Compensation Funds**

4 Albert Embankment
London SE1 7SR
United Kingdom

E-mail: info@iopcfunds.org

Website: www.iopcfunds.org