



International Oil Pollution
Compensation Funds

Agenda Item 2	IOPC/NOV21/2/1	
Date	25 October 2021	
Original	English	
1992 Fund Assembly	92A26	●
1992 Fund Executive Committee	92EC77	
Supplementary Fund Assembly	SA18	●

REPORT OF THE DIRECTOR

Note by the Director

Summary:

This November 2021 meeting will be the fourth time the governing bodies have convened remotely since December 2020. This meeting is especially important because in addition to making substantive decisions, Member States will have to elect the next Director of the organisation, who will be the fifth Director of the IOPC Funds in its 40-year history.

We will be working on a very tight schedule as a result of the unavoidable reduction in working hours. This will make difficult the important interaction between delegations which normally takes place during the breaks when meetings are held in person. We will, however, make every effort to ensure that sufficient time is available to cover essential items during the meeting for Member States to make important decisions.

The meeting will be held remotely using the KUDO platform. The voting itself, however, will take place in the International Maritime Organization (IMO) Main Conference Hall, in person, by roll-call, in a private meeting, in accordance with established practice. As decided by the governing bodies in March 2021, we have prepared the election so that it is conducted as closely as possible to the established practice of the Funds, despite the unusual current situation.

In this report I will be presenting a summary of the key items on the agenda for the November 2021 sessions of the IOPC Funds' governing bodies. I will briefly update the governing bodies on the work of the Funds during this past year and the challenges that lie ahead in the coming 12 months.

Action to be taken: 1992 Fund Assembly and Supplementary Fund Assembly

Information to be noted.

1 Introduction

- 1.1 Since our first remote meeting in December 2020, the governing bodies have continued to meet remotely. Before the outbreak of COVID-19, most intergovernmental affairs were conducted entirely face-to-face, but we have overcome many technological and logistical challenges and managed to continue meeting remotely throughout almost two years now. However, remote meetings bring with them an unavoidable reduction in the working hours available. Therefore, we will be working on a very tight schedule but we will make every effort to ensure that sufficient time is available to cover essential substantive items during the meeting.

- 1.2 This meeting, in particular, is especially important as Member States will have to elect the new Director. When organising this election, the Secretariat has taken into consideration the feedback given by Member States to ensure that the elections are run smoothly as planned. Even though the meeting will be held remotely, we have prepared this election so that it is conducted as closely as possible to the established practice of the Funds and despite the unusual current situation, the voting itself will take place in the International Maritime Organization (IMO) Main Hall, in person, by roll-call, in a separate private meeting, in accordance with established practice (document IOPC/NOV21/7/2/1).

2 Work of the IOPC Funds' Secretariat during the COVID-19 pandemic

- 2.1 Since the outbreak of the COVID-19 pandemic, the Secretariat has made substantial adjustments in the way it works. In March 2020, access to IMO's Headquarters was restricted and staff started working from home. With the removal of restrictions by the Government of the United Kingdom (UK) in July 2021, flexible work guidelines were introduced to allow staff to safely return to the office. I am pleased to report that since 20 September 2021, we have been working back at the office.
- 2.2 In addition, in order to assist with a work-life-balance, under the IOPC Funds' working from home Policy (WFH), staff are allowed to work from home two days a week, subject to agreement with their managers. In addition, managers may, subject to the needs of the organisation, allow one additional WFH day from time to time. These arrangements will be in place, on a trial basis, until 31 January 2022.
- 2.3 I am pleased to report that the WFH arrangements have proven very successful and have allowed the Secretariat to continue to carry out its tasks at all times and operate effectively throughout these difficult last months.

3 Membership of the 1992 Fund and Supplementary Fund

- 3.1 At the opening of the 26th session of the 1992 Fund Assembly in November 2021, 118 States will be Parties to 1992 Fund Convention. The 1992 Fund Convention entered into force for the Republic of Nauru on 23 March 2021. The Republic of San Marino and the Republic of Costa Rica acceded to the 1992 Fund Convention on 19 April 2021 and 19 May 2021 respectively. The Convention will enter into force for these States during 2022, bringing the number of 1992 Fund Member States to 120.
- 3.2 At the opening of the 18th session of the Supplementary Fund Assembly in November 2021, 32 States will be Members of the Supplementary Fund (document IOPC/NOV21/8/1).

4 Compensation Matters

4.1 Incidents involving the 1992 Fund

- 4.1.1 The 1992 Fund is currently dealing with 13 incidents and the documents relating to these incidents have been submitted to the 1992 Fund Executive Committee. I will be reporting, in particular, with regard to the following:

Prestige — Spain, November 2002

- 4.1.2 The Court in La Coruña has made payments totalling EUR 51.6 million to claimants in the Spanish legal proceedings. The Spanish State, who had carried out clean up operations and had provided advance compensation to victims in Spain, received EUR 40.7 million from the Court. The French State, who had carried out clean-up operations on the French coast after the spill, received EUR 9.3 million. Other claimants in Spain and France have received a total of EUR 1.6 million (document IOPC/NOV21/3/2/Rev.1).

- 4.1.3 Regarding the action of the 1992 Fund against the American Bureau of Shipping (ABS) in France, as I reported in December 2020, the 1992 Fund's French lawyer is working in cooperation with the French Government's lawyers to coordinate their respective actions (document IOPC/NOV20/3/2).

Hebei Spirit — Republic of Korea, December 2007

- 4.1.4 As I reported at the extraordinary session in July 2021, the Samsung Heavy Industries Co., Ltd (SHI) Limitation Court issued a decision on the distribution of the SHI limitation fund. In June 2021, the 1992 Fund received £2.2 million (KRW 3.4 billion) which was paid into the account of the Fund's lawyers in the Republic of Korea (document IOPC/JUL21/9/2, paragraph 2.1.3). The 1992 Fund's share from the SHI limitation fund has now been added to the amount available under the *Hebei Spirit* Major Claims Fund.
- 4.1.5 The final reconciliation of joint costs with the Skuld Club has been completed in 2021. It is the Fund's intention to hold a meeting in the second quarter of 2022 with all those involved in the handling of the claims arising from the *Hebei Spirit* incident to discuss the case and the lessons to be learned and to enable the IOPC Funds to deal with claims more efficiently.
- 4.1.6 I am grateful for the close cooperation and assistance provided to the 1992 Fund by the Government of the Republic of Korea in resolving this major incident which is almost closed. The *Hebei Spirit* incident is a success story which illustrates how cooperation between Government authorities, the P&I Club and the Fund can strengthen the international compensation regime for the benefit of victims of oil spills (document IOPC/NOV21/3/4).

Agia Zoni II — Greece, September 2017

- 4.1.7 The assessment of the 423 claims filed against the 1992 Fund has continued, and the experts engaged by the 1992 Fund are making progress assessing the claims filed against the 1992 Fund. Assistance remains available to claimants following the closure of the Claims Submissions Office in Piraeus, December 2020.
- 4.1.8 In 2021, the Greek Mercantile Marine^{<1>} instituted a disciplinary tribunal against the crew members mentioned in the third Marine Accident Investigation Council (ASNA) report, who were on board the *Agia Zoni II* at the time of sinking, and the senior representative of the salvor was also mentioned in the ASNA report. In June 2021, the disciplinary tribunal published its findings and held that the Master was liable in negligence for the loss of the ship. The disciplinary tribunal dealt with the reasons for the sinking of the ship but did not examine the ASNA report's criticism of the salvors for their delayed anti-pollution response.
- 4.1.9 Investigations 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 (document IOPC/NOV21/3/11)

Bow Jubail — The Netherlands, June 2018

- 4.1.10 As I have reported last December, at the time of the incident, the *Bow Jubail* was unladen and the oil spilled was bunker oil. The shipowner applied before the Rotterdam District Court for leave to limit its liability and argued that the incident was covered under Article 1.8 of the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001 (Bunkers Convention 2001).
- 4.1.11 This is a very interesting case in that, initially, the 1992 Fund should not have been involved and the Bunkers Convention 2001 would have normally applied. However, the Court of Appeal in The Hague

<1> As the supervisory body overseeing disciplinary matters for seafarers.

found that the shipowner had not proved that there were no residues of persistent oil from previous cargoes on board the *Bow Jubail* at the time of the incident and that, therefore, the *Bow Jubail* could be considered as a ship under the 1992 CLC.

- 4.1.12 The 1992 Fund has a financial interest in this case, as if a final judgment were to decide that the 1992 Civil Liability and Fund Conventions apply, the 1992 Fund would pay compensation as the losses are expected to exceed the shipowner's limit under the 1992 CLC and STOPIA 2006 (as amended 2017) limit. If, however, the shipowner was successful in its appeal to the Supreme Court, the Bunkers Convention 2001 would apply, and the 1992 Fund would not be involved in this case.
- 4.1.13 The 1992 Fund is awaiting a decision by the Supreme Court on whether it can join the proceedings; the opinion rendered by the Advocate General in July 2021 was that the 1992 Fund should be allowed to join the proceedings as an interested party and submit cassation pleadings.
- 4.1.14 Legal actions have been brought by several claimants before the District Court in Rotterdam against the shipowner, its insurer, and other parties. The 1992 Fund has been notified or included as a defendant in some of the actions, in case the 1992 Civil Liability and Fund Conventions were to apply to this incident. The 1992 Fund, through its lawyers in the Netherlands, is monitoring these cases and trying to obtain a stay in these proceedings until the Supreme Court delivers its decision on the question of whether the *Bow Jubail* qualifies as a ship under the 1992 CLC or not. Further developments in this case will be reported at the next meeting (document IOPC/NOV21/3/12).

Incident in Israel — February 2021

- 4.1.15 In February 2021, the Government of Israel contacted the 1992 Fund requesting assistance with oil found along the Israeli coastline believed to be caused by a mystery spill. Tar balls affected the entire Mediterranean coastline of Israel to various degrees. Clean-up operations were carried out under the direction of the Marine Environment Protection Division of the Israeli Ministry of Environmental Protection following their National Contingency Plan, with local authorities organising the response on the beaches.
- 4.1.16 The Israeli authorities also carried out an analysis of the oil found along the Israeli coastline and also concluded that the pollution was caused by crude oil. The experts engaged by the IOPC Funds also undertook a range of analytical tests on Israel beach pollutant samples taken in mid-February and mid-March 2021 and issued a report in June 2021. According to the 1992 Fund's experts, the pollution was caused by crude oil and it could not have originated from any other source but a passing oil tanker. The composition of the pollutant was consistent with it being crude oil tanker washings which must have been illegally ejected into the Mediterranean, and not a crude oil cargo which had been spilt. The pollutant appeared to be resistant to weathering due to its nature and thus, it was not possible from the analytical data generated to determine when the pollutant had actually entered the environment.
- 4.1.17 Initial estimates of the cost of the response to the oil spill so far are in the region of ILS 55 million (£12.2 million)^{<2>}. Further costs and claims for economic losses are expected. Bulk clean-up operations were completed by mid-April 2021.
- 4.1.18 In July 2021, the 1992 Fund Executive Committee decided that the pollution which has affected the coastline of Israel could be considered as a spill from an unknown source (a so called 'mystery spill') and that, for this reason, the 1992 Civil Liability and Fund Conventions would apply to this incident. The Executive Committee therefore authorised me to pay compensation with respect to the incident (document IOPC/NOV21/3/14).

<2> The exchange rate used in this document is based on the exchange rate as at 30 June 2021 of £1 = ILS 4.5014.

4.2 Incidents involving the Supplementary Fund

The Supplementary Fund has not been involved in any incidents so far and has, therefore, paid no compensation.

5 Financial matters

5.1 2020 Financial Statements for the 1992 Fund and the Supplementary Fund

5.1.1 The approval of the Financial Statements for the 1992 Fund and the Supplementary Fund for the financial year 2020 is one of the most important decisions to be made by the governing bodies at their regular sessions.

5.1.2 The 1992 Fund Assembly and the Supplementary Fund Assembly will be invited to approve the Financial Statements of 2020 for the 1992 Fund and the Supplementary Fund. The 2020 Financial Statements have been audited by the External Auditor, BDO and have been reviewed by the Audit Body at their meeting of July 2021 (documents IOPC/NOV21/5/6/1 and IOPC/NOV21/5/6/2).

5.2 Oil reports and contributions

Oil reports

5.2.1 I am pleased to report that, as at 23 September 2021, 93 States have submitted reports for 2020 to the 1992 Fund, representing 94.95% of the expected total contributing oil. Oil reports for the year 2020 and/or previous years are outstanding for 28 States with respect to the 1992 Fund.

5.2.2 Thirty-one States have submitted reports for 2020 to the Supplementary Fund, representing 96.62% of the expected total contributing oil. One State has not submitted oil reports for the year 2020 and one State has made a partial submission with respect to the Supplementary Fund.

5.2.3 I am very grateful for the continued cooperation and engagement of Member States with respect to the submission of oil reports, in spite of the ongoing difficult circumstances caused by the COVID-19 pandemic.

5.2.4 I am concerned that there are six States that have outstanding reports for five or more years and two States that have never submitted reports despite being members of the 1992 Fund for many years. This shows that substantial work is still required to ensure that all Member States continue to fulfil this important obligation under the 1992 Fund Convention and the Supplementary Fund Protocol. Efforts will continue to be made to engage with those States that have outstanding reports and to encourage them to contact the Secretariat if they have trouble compiling information on oil receipts (document IOPC/NOV21/5/1).

Report on contributions

5.2.5 I am pleased to report that the contributions system functions in a sound manner considering that, as at 28 September 2021, contributions outstanding represent 0.20% of the total contributions levied since the establishment of the 1992 Fund. This reflects the strong support the IOPC Funds have from their Member States and the oil industry in Member States.

5.2.6 I have continued to engage with the authorities in Ghana, Venezuela, Iran and Curaçao with respect to their outstanding contributions throughout 2021. I am relying on the authorities in those Member States to assist the Funds in correcting this situation. I am hopeful that payment will be received soon.

5.2.7 I have also continued to liaise with the authorities in the Russian Federation, and I hope to receive a positive response soon in relation to outstanding contributions from two contributors in that Member State. In addition, I have also continued to liaise with the Russian Federation to seek reimbursement, of the amounts written-off in October 2017, in view of the Russian Federation's obligation under Article 15.4 of the 1992 Fund Convention.

5.2.8 As at 28 September 2021, outstanding contributions to the Supplementary Fund relate to the Republic of the Congo and represent 0.05% of contributions levied to date (document IOPC/NOV21/5/2).

5.2.9 In October 2019, the governing bodies instructed me to examine other ways to incentivise the submission of oil reports, including the possibility of invoicing contributors based on estimates in the event that no reports were submitted (document IOPC/OCT19/11/1, paragraph 5.1.17). I have started to examine this matter with the Audit Body which has been discussed at length throughout 2021. I have also requested a legal opinion on this matter from Professor Dan Sarooshi Q.C., the 1992 Fund's legal counsel in public international law. However, the issue will have to be studied further before any recommendation can be made to the Assembly.

5.3 Budget for 2022 for the 1992 Fund

5.3.1 The 1992 Fund Assembly will be asked to approve the joint Secretariat budget for 2022 of £4 855 778 and expenditure on the external audit fee, relating only to the 1992 Fund, is £53 600. This budget figure is 3.1% (£147 491) more than the 2021 budget, however, it is less than the 2020 budget of £4 875 731.

5.3.2 Contributions are required for the reimbursement of a loan of £3.9 million taken by the General Fund from the *Hebei Spirit* Major Claims Fund to meet an estimated deficit on the General Fund for 2021. This loan was taken out as an alternative to levying 2020 contributions for receipt in March 2021.

5.3.3 In addition, contributions are required for payment of claims and claims-related expenses in respect of the Incident in Israel, up to a limit of SDR 4 million from the General Fund, approved by the 1992 Fund Executive Committee at its meeting in July 2021.

5.3.4 The resulting need for 2021 contributions, payable by 1 March 2022 to the General Fund, is £12.2 million.

5.3.5 I am also proposing that the 1992 Fund maintains the working capital at £15 million as this should be sufficient to cover the initial compensation and expenses of a new spill before establishing a Major Claims Fund (document IOPC/NOV21/9/1/1).

5.4 Budget for 2022 for the Supplementary Fund

5.4.1 The Supplementary Fund Assembly will be asked to approve the budget for 2022 of £52 400 which consists of the management fee paid to the 1992 Fund for the running the joint Secretariat and the cost of the external audit.

5.4.2 I am also proposing that the Supplementary Fund maintains the working capital at £1 million and that there should be no levy of contributions (document IOPC/NOV21/9/1/2).

5.5 Assessment of contributions — General Fund and Major Claims Funds – 1992 Fund

5.5.1 I will be inviting the 1992 Fund Assembly to levy 2021 contributions to the General Fund of £12.2 million for payment by 1 March 2022 (document IOPC/NOV21/9/1/1).

5.5.2 I will also be inviting the 1992 Fund Assembly not to levy 2021 contributions to the Major Claims Funds established for the *Prestige*, *Hebei Spirit*, *Alfa I*, *Agia Zoni II* and *Nesa R3* incidents. In addition, I will be inviting the 1992 Fund Assembly to levy 2021 contributions of £8 million to the Incident in Israel Major Claims Fund, with £4 million payable by 1 March 2022, and £4 million, or part thereof, to be invoiced later in 2022 if it proves necessary. I may also consider whether to meet any further costs from loans from the General Fund or from another Major Claims Fund in accordance with the 1992 Fund's Financial Regulations 7.1(c)(iv) or 7.2(d) (document IOPC/NOV21/9/2/1).

5.6 Assessment of contributions — Supplementary Fund

5.6.1 I will be inviting the Supplementary Fund Assembly to decide not to levy 2021 contributions to the General Fund (document IOPC/NOV21/9/1/2).

5.6.2 I will also be inviting the Supplementary Fund Assembly to note that there is no need to levy contributions to any Claims Fund as there have been no incidents involving the Supplementary Fund (document IOPC/NOV21/9/2/2).

6 Appointment of the External Expert

6.1 The mandate of the current external expert of the Audit Body is expiring on 31 December 2021. Between May and July 2021, three candidates for the position of External Expert were identified and interviewed by a panel consisting of the current External Expert, Mr Michael Knight, the Deputy Director/Head of Finance and Administration, Mr Ranjit Pillai and me.

6.2 The Chair of the 1992 Fund Assembly had the opportunity to meet with Mrs Baker in October 2021 and is confident that she can ably fulfil the requirements for the position. Therefore, it is the Chair's recommendation that the 1992 Fund Assembly appoint Mrs Baker as External Expert on the Audit Body for an initial term of three years from 1 January 2022 to 31 December 2024 (document IOPC/NOV21/6/1).

6.3 Should the 1992 Fund Assembly agree with this recommendation, Mrs Baker will be invited to attend the next Audit Body planned for 19 November 2021 as an observer, to have the opportunity to meet with the Audit Body Members and the External Auditor. Mr Knight has indicated that he is willing to provide all the assistance needed to ensure a smooth transition to his successor.

7 Risk Management — Update on the review of insurance problems

7.1 At the December 2020 meeting of the governing bodies, the sixth Audit Body presented an update on the review of insurance problems in which it recommended measures and future tasks to be undertaken in respect of the risk relating to insurers who are not members of the International Group of P&I Associations (non-IG insurers) (document IOPC/NOV20/5/5/1).

7.2 We have continued to work with the Audit Body throughout 2021 and have presented a document on this issue at the 108th session of the Legal Committee held in July 2021 (document LEG 108/5). At

that session, taking into account the concerns raised by some delegations, the Legal Committee expressed its support for discussing insurance problems in its future sessions.

- 7.3 I want to thank the new seventh Audit Body and the Chair, in particular, for their outstanding work on this important issue, and the IMO Legal Committee and the delegations for having discussed this matter and having expressed their willingness to address the issue in the near future.

8 Staff matters

Departure and appointment of staff members

- 8.1.1 I am sad to report that Ms Kathleen McBride has resigned from her post of Finance Assistant after having served the Funds for 14 years. I would like to thank Kathy for her outstanding contribution to the work of the Funds. Kathy has been a dedicated professional but most importantly, a cherished friend and colleague of all of us at the Secretariat. She will be greatly missed by all at the organisation but we all wish her all the best for her retirement.
- 8.1.2 As reported at the March 2021 sessions of the governing bodies, following the departure of the Legal Counsel who was part of the Management Team, I have invited Mr Robert Owen (IT/Office Manager) to join the Management Team to provide key advice on IT-related matters. The post, Head, Information Technology has now been re-classified to P5/D1 dual grade. Mr Owen has been at a P5 grade since 2015 and I am now recommending the Assembly to approve the movement of Mr Owen to D1 level; the higher grade of the post with effect 1 December 2021.
- 8.1.3 As I reported at the July 2021 extraordinary sessions, the new Policy Officer, Mr Yuji Okugawa (Japan), joined the Secretariat on 1 July 2021 and has been working in the Director's Office since then (document IOPC/NOV21/7/1).

8.2 Appointment of the Director

- 8.2.1 Since July 2021 and the lifting of restrictions within the UK, the IMO Secretariat has informed me that there are no restrictions on the number of delegations permitted in the main conference hall, which would enable the ballot procedure to take place in person, in a private meeting, in the main conference hall, by roll-call, in accordance with established practice. Therefore, even though the meeting will continue remotely, the voting itself will no longer take place by appointment but by roll call instead.
- 8.2.2 It is of course possible that the situation with the COVID-19 pandemic could worsen in the United Kingdom once again and restrictions could be put back in place. In preparation for such scenario the Secretariat has prepared a contingency plan which would see the ballot procedure revert to voting in person by appointment. A document containing details of the procedure in that case would be issued to delegations.
- 8.2.3 The details on the ballot and other ballot and other procedures to be followed for the appointment of the new Director are set out in document IOPC/NOV21/7/2/1.

9 Treaty matters

9.1 2010 HNS Convention

- 9.1.1 Since the March 2021 session of the 1992 Fund Administrative Council, no State has deposited an instrument of ratification or accession to the 2010 HNS Protocol with the Secretary-General of IMO. There are five Contracting States to the Protocol, namely, Canada, Denmark, Norway, South Africa and

Turkey. However, a number of States have continued their efforts to implement the HNS Convention into their domestic legislation.

- 9.1.2 The Secretariat has also continued to carry out the tasks necessary to set up the HNS Fund and prepare for the first session of the HNS Assembly. Improvements have been made to the HNS Finder that is the online database that lists all substances that fall within the definition of HNS in the Convention, including those listed as contributing cargo. In addition, the Secretariat together with several organisations with expertise in that field is preparing a draft HNS Fund Claims Manual. Once a draft is prepared, it will be made available for comment and suggestions from interested delegations before it is presented for consideration by the first HNS Fund Assembly.
- 9.1.3 Throughout 2021, the Secretariat has continued to use every opportunity to give presentations on the HNS Convention and has continued to provide assistance to Government authorities and other interested stakeholders on this matter (document IOPC/NOV21/8/2).

10 External Relations

10.1 IOPC Funds' Short Course

The annual IOPC Funds' Short Course was held online for the first time in 2021. The positive feedback received from participants confirmed the success of the online format of the course, which could be developed to possibly run alongside or as an additional option to the London-based course in the future (document IOPC/NOV21/7/3).

10.2 Induction course for delegates

Due to the reduced hours available for remote sessions, it will not be possible to organise a remote edition of the Induction Course for delegates prior to the November 2021 meeting; but the Secretariat is committed to delivering the Induction Course once again in 2022 (document IOPC/NOV21/7/3).

10.3 Outreach activities

Since November 2020, the IOPC Funds participated in online training courses with Canada, Estonia, the Gambia, Mexico, Mauritius and New Zealand. The Funds have also participated in webinars and workshops organised by REMPEC, Sea Alarm, PEMSEA, IOSC, PERSGA^{<3>}. The Secretariat has also provided lectures to students from several universities and institutions (Universidad del Salvador, Ghent University, the International Maritime Law Institute, and World Maritime University).

11 Decisions to be made during the November 2021 sessions

To facilitate the work of delegations and since we will have to hold our November 2021 meetings remotely and in a very short period of time, I am including below the list of the main decisions to be made during the meeting:

- Elect the Executive Committee and the new Chair and Vice-Chair (Document IOPC/NOV21/4/1)
- Approve the 2020 Financial Statements for the 1992 Fund and the Supplementary Fund (Documents IOPC/NOV21/5/6/1 and IOPC/NOV21/5/6/2)
- Appoint the new External Expert to the Audit Body (Document IOPC/NOV21/6/1)
- Appoint the new Director (Document IOPC/NOV21/7/2)
- Decide on the procedures to appoint new Director (Document IOPC/NOV21/7/2/1)

<3> The Regional Marine Pollution Emergency Response Centre for the Mediterranean Sea (REMPEC); Partnerships in Environmental Management for the Seas of East Asia (PEMSEA); International Oil Spill Conference; and the Regional Organization for the Conservation of the Environment of the Red Sea and Gulf of Aden (PERSGA).

- Approve terms and conditions of the Director Elect contract (Document IOPC/NOV21/7/2/2)
- Appoint the new Appeals Board (Document IOPC/NOV21/7/5)
- Approve the 2022 budgets for the 1992 Fund and the Supplementary Fund (Documents IOPC/NOV21/9/1/1 and IOPC/NOV21/9/1/2)
- Approve the proposal on levies to the General Fund and the Major Claims Funds (Documents IOPC/NOV21/9/2/1 and IOPC/NOV21/9/2/2)

12 Looking ahead

- 12.1 The 1992 Fund now has 120 Member States and the Supplementary Fund, 32 Member States. This increased membership reflects the importance that States give to the international liability and compensation regime. There is a lot of work to be done to assist Member States in the understanding, implementation and interpretation of the Conventions. With all the experience acquired throughout 2020 and 2021 during the COVID-19 pandemic, the Secretariat now conducts webinars and remote activities in addition to the outreach activities in person it normally undertakes. This allows us to continue our capacity building activities and to further advance the uniform and effective implementation and interpretation of the Conventions in Member States as well as to promote the benefits of the international liability and compensation regime.
- 12.2 Throughout 2021, the Secretariat has continued to work with the Audit Body to advance the review of the risks arising from incidents involving the IOPC Funds and insurers that are not members of the International Group. I am confident that together with the IMO Legal Committee we will find feasible solutions to this increasingly important and complex matter.
- 12.3 The Secretariat will continue to assist Member States that are working towards the ratification of the 2010 HNS Convention and to make the preparations for the first session of the 2010 HNS Fund Assembly which will be convened by the Secretary-General of IMO, hopefully in the near future.
- 12.4 I have always been committed to ensuring that the Secretariat is lean and fit and continues to operate in an efficient and effective manner. I am aware that these last two years have been particularly challenging for Member States and we have remained committed to continue to review the Secretariat's working methods with the aim of making the best possible use of the resources available.

13 Gratitude

- 13.1 This is my last meeting, after having served the Funds as Director for 10 years. I have also worked for the Funds in different positions for another 15 years. It has been a privilege for me to work closely together with the Member States, the oil industry, and the international shipping community to ensure that the international regime continued to function as intended throughout all these years.
- 13.2 I have always been honoured by the trust and confidence placed in me by Member States. I would not have been able to fulfil this important role without their support, and that of my colleagues at the Secretariat, the P&I Clubs, IMO, the oil industry, the international shipping community and many intergovernmental and international non-governmental organisations.
- 13.3 While serving the Funds, I have always tried to listen to the concerns of all stakeholders and cater to their needs. It was a demanding task but I am confident that after all these years, we have been able to consolidate the Funds and strengthened the international compensation regime. I trust that the solid foundations of the Funds, the commitment of Member States, P&I Clubs, IMO, oil industry and the international shipping community, will allow the IOPC Funds to continue its success story and face the challenges that lie ahead.

- 13.4 I would like to express my gratitude to all Member States, the P&I Clubs and fellow international organisations with whom the IOPC Funds have worked closely together with, the oil industry in Member States, and the international shipping community for helping and cooperating to consolidate the Funds and strengthen the international compensation and liability regime throughout all these years.
- 13.5 I would like to express my sincere gratitude to the seventh Audit Body members: its Chair, Mrs Birgit Sølling Olsen (Denmark), its Vice-Chair Mr Vatsalya Saxena (India), Captain Tom Heinan (Marshall Islands), Mr Alfred Popp (Canada), Mr Arnold Rondeau (France), Dr Hideo Osuga (Japan), and the External Expert, Mr Michael Knight (United Kingdom). Their knowledge, experience and expertise have been of great assistance to the work of the Secretariat. I would also like to thank the Investment Advisory Body, the representatives of the External Auditor (BDO), and the lawyers and experts who work for the Funds.
- 13.6 I would like to thank the Secretary-General of IMO, Mr Kitack Lim, and IMO staff for the continued cooperation and support provided to the Secretariat. In particular, for making us feel at home when we moved back into IMO's headquarters in 2016.
- 13.7 I would also like to thank the Chairs and Vice-Chairs of the governing bodies who are called upon on occasion outside of sessions to provide views and assistance to me and the Secretariat on key issues affecting the IOPC Funds.
- 13.8 Last but not least, I would like to express my gratitude and appreciation to all my colleagues in the Secretariat, present and past, for their commitment, dedication and professionalism to their work at the Funds over all these years. I would have not been able to carry out this demanding task successfully without them.
- 13.9 The IOPC Funds are a success story in which we have all played a part and I am proud of the role the Organisations play in the international maritime community.

14 Action to be taken

1992 Fund Assembly and Supplementary Fund Assembly

The 1992 Fund Assembly and Supplementary Fund Assembly are invited to take note of the information contained in this document.
