



International Oil Pollution
Compensation Funds

Agenda Item 3	IOPC/NOV24/3/12	
Date	20 September 2024	
Original	English	
1992 Fund Assembly	92A29	
1992 Fund Executive Committee	92EC83	●
Supplementary Fund Assembly	SA21	

INCIDENTS INVOLVING THE IOPC FUNDS — 1992 FUND

INCIDENT IN ISRAEL

Note by the Secretariat

Objective of document:	To inform the 1992 Fund Executive Committee of the latest developments regarding this incident.
Summary:	<p>In February 2021, the Government of Israel contacted the 1992 Fund requesting assistance with oil found along the Israeli coast. The source of the spill had not been identified. The Israeli Government reported that it believed a spill had occurred in the waters of their exclusive economic zone (EEZ).</p> <p>Clean-up operations were carried out under the direction of the Marine Environment Protection Division of the Israeli Ministry of Environmental Protection, with local authorities organising the response on the beaches. The main clean-up operations were completed by mid-April 2021.</p> <p>Analyses of the polluting oil carried out by two laboratories in Israel and by experts appointed by the 1992 Fund indicated that the oil found along the coastline was crude oil.</p> <p>In July 2021, the 1992 Fund Executive Committee decided that the pollution which had 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 (document IOPC/JUL21/9/2, paragraph 3.2.22).</p>
Recent developments:	As at 20 September 2024, a total of 415 claims had been submitted for clean-up operations, property damage and economic losses, totalling ILS 35.1 million (£7.1 million) ^{<1>} . Forty-eight claims have been assessed at ILS 10.4 million (£2.1 million), and 20 of those claimants have been paid a total of ILS 8 680 171 (£1.75 million) in compensation. Three hundred and sixty-three claims for economic losses in the fisheries sector, which were previously rejected for lack of information, are being reassessed on the basis of the latest supporting evidence in order to verify the validity of both the claims and the claimants.

<1> The exchange rate used in this document is based on the exchange rate as at 30 June 2024 of £1 = ILS 4.94438, except for the amounts already paid by the 1992 Fund, for which the exchange rate at the time of payment has been used.

The three-year anniversary of the spill was on 17 February 2024. The IOPC Funds informed those claimants whose claims had not yet been finalised of the approaching time bar and recommended that they commence legal proceedings to protect their rights.

As at 20 September 2024, three sets of legal proceedings have been commenced against the 1992 Fund in the Admiralty Court of Haifa, in respect of some 401 claims.

Relevant documents:

The [online Incident in Israel incident report](#) can be found via the Incidents section of the IOPC Funds' website.

Action to be taken: 1992 Fund Executive Committee

Information to be noted.

1 Summary of incident

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	Approximately 170 km of Israeli coastline affected by tar balls
Flag State of ship	Unknown
Gross tonnage	Unknown
P&I insurer	Unknown
CLC limit	Unknown
CLC + Fund limit	SDR 203 million or ILS 943 024 320 (£190.7 million) ^{<2>}
Legal proceedings	Three actions against the 1992 Fund by: <ol style="list-style-type: none"> 1. the Government of Israel with respect to 12 claims totalling ILS 25 929 167 (£5.2 million); 2. one environmental non-governmental organisation (NGO) with respect to a claim totalling ILS 100 654 (£20 000); and 3. one consolidated claim on behalf of 385 fishers and three restaurant owners totalling ILS 4 490 920 (£910 000).

2 Background information

- 2.1 On 17 February 2021, tar balls began to wash up along the Israeli coastline, ranging in severity from medium-heavy pollution to very light dispersed tar balls. The pollution affected the entire coastline to varying degrees.
- 2.2 An investigation carried out by the Israeli Government concluded that sometime between 1 and 2 February 2021, an oil spill incident occurred within the offshore waters of the Israeli exclusive economic zone (EEZ), to the west-northwest of the coastline and that the resulting oil spill was the cause of the contamination of the Israeli coastline.

^{<2>} The conversion of SDR 203 million into Israeli shekels (ILS) was made on the basis of the value of that currency *vis-à-vis* the Special Drawing Rights (SDR) on the date of the adoption of the 1992 Fund Executive Committee's Record of Decisions at its 76th session, i.e. 23 July 2021, at the rate of SDR 1 = ILS 4.645440, giving a total amount available for compensation of ILS 943 024 320.

- 2.3 The Israeli Marine Environment Protection Division responded under their National Contingency Plan and took control of the overall response to the spill, utilising the local authorities who were in charge of organising the response on the beaches.
- 2.4 Clean-up operations were carried out with the deployment of personnel from municipal authorities, nature and parks authorities, and government departments, as well as volunteers. Clean-up operations were largely finished by mid-April 2021, although removal of tar from different locations, mainly the centre and northern part of the country as far as the northern border, continued into the early summer.
- 2.5 Bans on fishing and on bathing were imposed immediately after the tar balls first washed ashore. The fisheries restrictions were lifted in early March 2021. The bathing prohibitions were removed in mid-March 2021.

3 Applicability of the Conventions

- 3.1 Israel is Party to the 1992 Civil Liability Convention (1992 CLC) and the 1992 Fund Convention.
- 3.2 At its October 2002 session, the 1992 Fund Executive Committee endorsed the Director's interpretation of the 1992 Fund Convention. This interpretation stipulated that the 1992 Fund Convention also applied to spills of persistent oil, even if the ship from which the oil originated could not be identified. However, this applied under the condition that it had been satisfactorily demonstrated to the 1992 Fund, or in case of dispute, to a competent court, that the oil originated from a ship as defined in the 1992 CLC (document [92FUND/EXC.18/14](#), paragraph 3.12.13).
- 3.3 At its July 2021 session, the 1992 Fund Executive Committee decided that the pollution which had 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.
- 3.4 At the same session, the 1992 Fund Executive Committee, therefore authorised the Director to settle and pay claims for compensation arising from the incident (document [IOPC/JUL21/9/2](#), paragraph 3.2.22).

4 Claims for compensation

- 4.1 As at 20 September 2024, a total of 415 claims have been submitted. Of these, 24 claims have been submitted by the Israeli authorities and two non-governmental organisations (NGOs), totalling ILS 27 million (£5.46 million) for clean-up and related activities. Twenty of these claims have been approved at ILS 10.1 million (£2 million). Of these approved claims, 16 claims have been fully settled for ILS 5 104 978 (£1 million), while two claims have received an initial payment of ILS 3 283 565 (£664 100) subject to further review upon submission of additional information. Two claims have received an offer which has been rejected by the claimants.
- 4.2 In the fisheries sector, a total of 385 claims have been submitted to the 1992 Fund, totalling ILS 5 million (£1 million). Most of those claims refer to property damage to fishing boats and/or economic losses in the fisheries sector and have been rejected due to the lack of supporting information. One claim, from an aquaculture farm, totalling ILS 1 million (£202 000) has been settled at ILS 264 907 (£57 226).
- 4.3 In the tourism sector, five claims have been submitted for economic losses by two marine sport operators and schools, as well as by three fish restaurants. One of these claims has been settled at ILS 26 720 (£6 359). The other four have been rejected due to lack of supporting information.

5 Legal proceedings

- 5.1 In early February 2024, the IOPC Funds sent an official notice to all claimants regarding the approaching time bar. Those with pending claims were advised to commence legal action against the 1992 Fund before 17 February 2024 in order to protect their right to compensation in accordance with Article 6 of the 1992 Fund Convention. As at 20 September 2024, three sets of legal proceedings have been commenced in the Admiralty Court in Haifa against the 1992 Fund by:
- the Israeli Government for 12 claims for costs incurred by the central Government and municipal authorities, totalling ILS 25 929 167 (£5.25 million). Seven claims have already been settled by the 1992 Fund and five claims are being assessed by the 1992 Fund's experts. Both parties agreed to suspend legal proceedings for a period of 12 months, effective 9 April 2024, to allow the parties to complete their negotiations;
 - an NGO for costs incurred during the response, totalling ILS 100 654 (£20 000). This claim has been settled and a judgment dismissing the claim against the 1992 Fund was given on 21 May 2024; and
 - a consolidated claim of 388 claims in the fisheries sector has been submitted, totalling ILS 4.5 million (£910 000). The 1992 Fund is reviewing the supporting documentation to ensure there is no duplication of claims and to verify that all claimants held valid licenses at the time of the incident. The first court hearing is scheduled to take place on 26 November 2024.

6 Director's considerations

- 6.1 This incident occurred on 17 February 2021 during the COVID-19 pandemic, which presented numerous challenges both on the ground, with the Israeli authorities having to organise and manage the response to the spill while abiding by distancing regulations in Israel, and for the IOPC Funds when sending personnel to monitor and advise those parties conducting the response.
- 6.2 Closures due to the COVID-19 pandemic also meant that the economic impact of the incident was more limited than it would have been had all the economic and tourism establishments that normally operate along the coast of Israel been open as normal. Nonetheless, more than 400 claims have been submitted in relation to this incident.
- 6.3 In accordance with Article 6 of the 1992 Fund Convention, if a claimant does not bring a lawsuit seeking compensation against the 1992 Fund before the third anniversary of the incident, such claimant loses the right to claim compensation.
- 6.4 The three-year anniversary of the spill was on 17 February 2024. In advance of that date, the IOPC Funds had advised all claimants who had not reached final settlement with the 1992 Fund to take the necessary legal steps to protect their rights in the national court and commence a lawsuit seeking compensation against the 1992 Fund.
- 6.5 All the pending claims were brought to the Admiralty Court in Haifa within the three-year time limit and are therefore protected from time bar. The 1992 Fund remains committed to working with claimants to reach amicable settlements whenever possible, even during ongoing legal proceedings. The Director is pleased to note the advancements made in settling claims, and the continued progress in assessing the remaining ones.
- 6.6 The Director will report on any developments with regard to this incident at future sessions of the 1992 Fund Executive Committee.

7 Action to be taken

1992 Fund Executive Committee

The 1992 Fund Executive Committee is invited to take note of the information contained in this document.
