



International Oil Pollution
Compensation Funds

Agenda Item 2	IOPC/NOV24/2/1	
Date	24 October 2024	
Original	English	
1992 Fund Assembly	92A29	●
1992 Fund Executive Committee	92EC83	
Supplementary Fund Assembly	SA21	●

REPORT OF THE DIRECTOR

Note by the Director

Summary:

In this report, I will briefly provide an update on the activities of the IOPC Funds since the November 2023 sessions of the governing bodies. I will be introducing a number of key items on the agenda for the November 2024 sessions which merit special mention, including, among others: the latest update on the incidents in which the 1992 Fund is involved; the proposal to adopt draft Resolutions on raising awareness of the risk of uninsured and unsafe ships; the proposal to endorse the draft guidance for Member States for investigating the circumstances surrounding an oil pollution incident involving uninsured and unsafe ships; the ongoing implementation of Resolution N°12 for the 1992 Fund and the progress made in relation to the implementation of Resolution N°13 for the 1992 Fund; the levy of 2024 contributions to the General Fund and the Major Claims Funds; the appointment of the External Auditor; and the re-appointment of the External Expert of the joint Audit Body. I will also be reporting on the current status of the 2010 HNS Convention and the recent activities undertaken by the Secretariat relating to the preparations for its entry into force.

These items will be presented in more detail during the sessions. In addition, I will be reporting on the main challenges that the IOPC Funds will be facing in the coming 12 months.

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

Information to be noted.

1 Introduction

- 1.1 We have a full agenda for the November 2024 sessions, as this year has been marked both by significant challenges and worthy accomplishments. In this report, I will try to briefly outline the key developments and activities of the IOPC Funds since the November 2023 sessions. Several of these issues, which will be presented in more detail during the sessions, will require careful consideration and open debate among Member States, which we anticipate with great interest. The governing bodies will be invited to make important decisions on several issues.

2 Membership of the 1992 Fund and Supplementary Fund

- 2.1 I am happy to report on the continued growth in membership across both organisations. At the opening of the 29th session of the 1992 Fund Assembly in November 2024, 121 States will be Members of the 1992 Fund. The Republic of Iraq acceded to the 1992 Fund Convention on 5 August 2024. The Convention will enter into force for this State during 2025, bringing the number of 1992 Fund Member States to 122 on 5 August 2025.
- 2.2 At the opening of the 21st session of the Supplementary Fund Assembly in November 2024, 33 States will be Members of the Supplementary Fund. The Republic of Mauritius acceded to the Supplementary Fund Protocol on 9 April 2024. The Protocol entered into force for this State on 9 July 2024 (document [IOPC/NOV24/8/1](#)).

3 Incidents involving the IOPC Funds

3.1 Incidents involving the 1992 Fund

- 3.1.1 The 1992 Fund is currently dealing with 15 incidents, including two new incidents, the *Marine Honour* in Singapore and the *Terra Nova* in the Philippines, that occurred since the April 2024 sessions of the governing bodies. The documents relating to these incidents have been submitted for consideration to the 1992 Fund Executive Committee. I will be focusing only on the main developments as the Secretariat will report in detail on all incidents during the session of the Executive Committee.

Bow Jubail — The Netherlands, June 2018

- 3.1.2 The six-year anniversary of the spill occurred on 23 June 2024, in advance of which the 1992 Fund informed those claimants who had not yet commenced action against the Fund of the approaching time bar. The deadline for filing claims with the limitation fund assessor expired in August 2024. The 44 claims filed for assessment by that deadline are being assessed by the Club and Fund's joint experts. A number of offers of settlement have been made to some of the claimants as the assessments progress. More details on this incident will be provided during the sessions (document [IOPC/NOV24/3/10](#)).

Princess Empress – The Philippines, February 2023

- 3.1.3 Significant progress has been made in handling claims related to the *Princess Empress* incident, particularly over 36 000 claims from the fisheries sector. We are deeply grateful to the Government of the Philippines for their invaluable assistance during the IOPC Funds' Secretariat's visits, as well as to the local authorities in the affected areas for their support in organising temporary claims collection and distribution centres. We also greatly appreciate the excellent cooperation with the Shipowners' P&I Club and commend their effective approach to this incident. More details on this incident will be provided during the sessions (document [IOPC/NOV24/3/13](#)).

Gulfstream – Trinidad and Tobago, February 2024

- 3.1.4 I am pleased to report that the clean-up operations have been concluded in Tobago. However, the barge involved in this incident appears to have no insurance and was in poor condition, and no registered owner has yet been identified. I encourage the authorities in Trinidad and Tobago to continue trying to offset the costs incurred by the authorities and thus reduce their claim against the 1992 Fund. I look forward to continuing to work closely with the authorities in Trinidad and Tobago and I am confident that I will have their full cooperation in order to take all necessary and reasonable legal remedies to identify and pursue those liable for this incident (document [IOPC/NOV24/3/14](#)).

Marine Honour – Singapore, June 2024

- 3.1.5 On 14 June 2024, the tanker *Marine Honour* was stationary alongside the container ship, *Ever Blink*, when it was struck by the hopper dredger *Vox Maxima*. This caused the *Marine Honour* to contact the *Ever Blink* which breached the hull of the *Marine Honour*, leading to the release of 817 cubic metres of persistent oil. The spill spread along the coast of Singapore and reached the east coast of Johor in Malaysia. The Maritime and Port Authority of Singapore responded promptly to contain the spill and, along with QBE Insurance, the insurers of the *Marine Honour*, engaged with contractors to conduct at sea and shoreline clean up.
- 3.1.6 I am pleased to report that all clean-up operations have been completed both in Singapore and Malaysia. The 1992 Civil Liability Convention (1992 CLC) limit has been reached, but based on the information available, we do not expect the damage to surpass the 1992 Fund Convention limit. The Small Tanker Oil Pollution Indemnification Agreement (STOPIA) 2006 (as amended 2017)^{<1>} does not apply as the insurer is not a member of the International Group of P&I Associations (International Group).
- 3.1.7 I would like to express my gratitude to the Singapore Government, particularly to the Maritime and Port Authority for promptly meeting with the 1992 Fund to discuss the incident. I would also like to express my appreciation to QBE Insurance for their excellent cooperation in the establishment of a claims submission office and commend them for their swift response.
- 3.1.8 I will be seeking instructions from the governing bodies regarding the payment of losses resulting from this incident (documents [IOPC/NOV24/3/15](#) and [IOPC/NOV24/3/15/1](#)).

Terranova – The Philippines, July 2024

- 3.1.9 On 25 July 2024, the *Terranova* encountered heavy weather during Typhoon Gaemi and capsized in Manila Bay, the Philippines. A sheen was observed in the weeks following the incident, indicating that the hull was breached, and oil was being slowly released from the cargo tanks. The Philippines Coast Guard and the insurers, Steamship Mutual Underwriting Association Limited (Steamship Mutual), promptly responded and engaged contractors to contain and recover oil from the sheen and the vessel.
- 3.1.10 I am pleased to report that salvors have managed to remove the remaining cargo from the vessel's tanks and approximately 97% of the cargo that was carried on the *Terranova* has been recovered. Steamship Mutual is a party to STOPIA 2006. Initial estimates indicate that the claims for pollution damage will surpass the 1992 CLC limit, but it remains to be seen whether the STOPIA 2006 limit will be reached.
- 3.1.11 I would like to thank the Philippines Coast Guard for responding to the incident and notifying the Secretariat so quickly. I would also like to thank Steamship Mutual for its cooperation in the handling of this incident. I will be seeking instructions from the governing bodies regarding the payment of losses resulting from this incident. The governing bodies will also have to decide whether to authorise the signature of an agreement on interim payments with Steamship Mutual in respect of this incident (document [IOPC/NOV24/3/16](#)).

3.2 Incidents involving the Supplementary Fund

As at 11 September 2024, no incidents had occurred that will involve the Supplementary Fund.

^{<1>} From this point forward, references to 'STOPIA 2006' should be taken to read 'STOPIA 2006 (as amended 2017)'.

4 Compensation matters

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

Since the introduction of the international sanctions, a growing number of vessels are reportedly involved in transporting sanctioned oil, with many attempting to evade these restrictions through various methods. This increases the risk of oil pollution and undermines the International Maritime Organization (IMO) safety measures. Current estimates suggest that between 600 and 1 100 tankers are part of the so-called 'ghost' or 'dark' fleet. The use of old vessels that may not conform to all relevant safety standards, has led to several near-misses, escalating the threat of accidents and oil spills along the coastlines of Member States. An update on this matter will be presented during these sessions (document [IOPC/NOV24/4/4](#)).

4.2 Risk of uninsured and unsafe ships

Draft Resolutions

4.2.1 Following the discussions at the April 2024 sessions of the governing bodies regarding the risk of uninsured and unsafe ships and a related discussion on the potential impact of sanctions on the international liability and compensation regime, I was instructed to prepare draft Resolutions for the 1992 Fund Assembly and the Supplementary Fund Assembly on the issue of uninsured and unsafe ships, which were considered during the April 2024 sessions (document [IOPC/APR24/4/WP.1](#)).

4.2.2 After an extensive debate, it was concluded that a Resolution for each Assembly clarifying the concerns of Member States and outlining measures to address the key issues arising from incidents involving uninsured and unsafe ships should be adopted. However, delegations requested more time to consider the text of the Resolutions, to conduct consultations and discuss specific amendments to the text. As a result, States were encouraged to submit comments and suggestions for revisions to the Resolutions to the Secretariat, and I was instructed to re-issue the draft 1992 Fund Assembly and Supplementary Fund Assembly Resolutions for consideration at the November 2024 sessions of the governing bodies (document [IOPC/APR24/9/1](#), paragraph 4.2.24).

4.2.3 The feedback from several Member States and observer delegations has been taken into account when preparing the revised draft Resolutions. Moreover, as proposed by several delegations during the April 2024 sessions of the governing bodies, the feedback received from delegations on the draft Resolutions, together with a proposed revised text and reasons for the revisions made, were shared with the Secretariat of IMO. The comments provided by the IMO Secretariat have been incorporated where appropriate into the new versions of the Resolutions that will be presented during the November 2024 sessions.

4.2.4 I would like to thank Member States, observer delegations and the IMO Secretariat for the support, feedback and valuable guidance regarding these draft Resolutions. I believe that the extensive discussions among Member States on these Resolutions during the April 2024 sessions, along with the input subsequently provided by delegations and the IMO Secretariat, will be important in making an informed decision regarding their adoption (documents [IOPC/NOV24/4/3](#) and [IOPC/NOV24/4/3/2](#)).

Development of an internal procedure for the Secretariat and guidance for Member States

4.2.5 Whilst further consideration of the draft Resolutions referred to above was postponed until the November 2024 sessions of the governing bodies, given the urgent nature of the matter, the governing bodies instructed me to begin to develop, in consultation with the Audit Body: (i) an internal procedure to be followed by the IOPC Funds' Secretariat in the event of an incident in order to gather the necessary information to determine the applicability of the 1992 CLC, the 1992 Fund Convention and the Supplementary Fund Protocol, and the parties involved; and (ii) guidance for Member States for

investigating the circumstances surrounding an oil pollution incident, in order to identify ships and persons involved, including, but not limited to, shipowners and their insurers (document [IOPC/APR24/9/1](#), paragraphs 4.2.26 and 4.2.27).

- 4.2.6 Immediately following the sessions and upon the instructions of the governing bodies, the Secretariat, in consultation with the Audit Body, revised the internal guidelines for the Claims Department to reflect the discussions held during the April 2024 sessions. A new section has been included which refers specifically to the procedure to be followed by the IOPC Funds' Secretariat in the event of an incident in order to gather the information necessary to determine the applicability of the 1992 CLC, the 1992 Fund Convention and the Supplementary Fund Protocol, and to identify the parties involved.
- 4.2.7 In addition, following the instructions of the governing bodies, the Secretariat prepared the post-incident guidance for Member States for investigating the circumstances surrounding an oil pollution incident, in order to identify ships and persons involved, including, but not limited to, shipowners and their insurers. This guidance takes into account the concerns expressed by Member States and the discussion held at the April 2024 sessions of the governing bodies regarding the increasing risk posed by uninsured and unsafe ships, and the occurrence of oil spills in which the spill source is unclear. It was prepared with the assistance of Dr Rosalie Balkin AO, in her capacity as the IOPC Funds' legal adviser in matters of public international law and in consultation with the Audit Body. In addition, the Secretariat shared this guidance with the IMO Secretariat.
- 4.2.8 I believe that the internal procedure and the guidance for Member States will assist Member States in the event of an incident involving irregular practices. I would like to thank Dr Balkin, the Audit Body, and the IMO Secretariat for their support and input, which have proved extremely valuable in the drafting of the guidance for Member States (document [IOPC/NOV24/4/3/1](#)).

4.3 Situation in the Red Sea

In the context of the discussion on the risks associated with unsafe and uninsured ships, I wish to clarify a question that has been raised on several occasions regarding the IOPC Funds' exposure to a potential oil spill incident in the Red Sea as a result of war or hostilities. Notably, with the exception of Djibouti in the south and Israel in the north, none of the States bordering the Red Sea are members of the IOPC Funds. An incident must involve a Member State for the Funds to be involved. In addition, it is important to note that under Article 4 of the 1992 Fund Convention the Fund shall incur no obligation if it proves that the pollution damage resulted from an act of war, hostilities, civil war or insurrection. Consequently, the IOPC Funds would not be financially exposed in the event of a potential oil spill in the Red Sea resulting from acts of war or hostilities.

4.4 Development of a guidance document – Procedures for determining whether a ship falls under the 1992 Civil Liability Convention or the 2001 Bunkers Convention

- 4.4.1 At the May 2023 sessions of the governing bodies, the Executive Committee requested that I explore the possibility of developing guidance to determine when dual-use tankers, capable of serving both as oil and chemical tankers, cease to be considered a 'ship' under the 1992 CLC. Since then, the Secretariat has met with industry representatives to discuss the development of a guidance document. It was also proposed that I consider an interpretation of the word 'residues'.

4.4.2 After extensive discussions, I would like to propose that such guidance be issued as a footnote in the IOPC Funds' publication 'Guidance for Member States, Consideration of the definition of 'ship'', under section 3, paragraph 3.1.2. Regarding the review of the interpretation of the word 'residues', we are currently examining existing conventions and guidance documents to ensure a clear understanding of its current interpretation. I will present the findings at a future session of the governing bodies. I would like to thank the industry representatives involved for their work and collaboration (document [IOPC/NOV24/4/5](#)).

5 Financial reporting and financial policies and procedures

5.1 2023 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 2023 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 2023 Financial Statements for the 1992 Fund and the Supplementary Fund (documents [IOPC/NOV24/5/7/1](#) and [IOPC/NOV24/5/7/2](#)). The 2023 Financial Statements have been audited by the External Auditor, BDO International LLP (BDO), and were reviewed by the Audit Body at their meeting in July 2024 (document [IOPC/NOV24/5/6](#)).

5.2 Oil reports and contributions

Oil reports

5.2.1 As at 20 September 2024, 96 Member States have submitted reports for 2023 to the 1992 Fund, representing some 91% of the expected total contributing oil^{<2>}. Oil reports are outstanding from 32 Member States with respect to the 1992 Fund, of which 28 Member States have not completed reporting for the year 2023.

5.2.2 As at 20 September 2024, one Member State had not made a complete submission of oil reports for 2023 in respect of the Supplementary Fund. All other Supplementary Fund Member States had completed submissions.

5.2.3 I note that eight Member States of the 1992 Fund have outstanding reporting obligations for more than five years, namely: Albania, Bahrain, Djibouti, the Dominican Republic, Guinea, Panama, Saint Lucia and the Syrian Arab Republic. I have initially focused on these Member States for the application of Resolution N°13.

5.2.4 There is a clear need to continue working towards ensuring that all Member States meet this important obligation under the 1992 Fund Convention and the Supplementary Fund Protocol. The Secretariat remains committed to continue working with Member States that have pending reports. I encourage those Member States to contact the Secretariat who is always available to offer assistance with the submission of oil reports.

<2> Ninety-six reports have been submitted out of 121 Member States of the 1992 Fund, plus three autonomous partners. 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.

5.2.5 I am grateful for the support and cooperation of Member States in the submission of oil reports. I look forward to our ongoing collaboration to ensure that reports are presented correctly and on time, as this is essential for the international compensation regime to function effectively (document [IOPC/NOV24/5/1](#)).

Report on contributions

5.2.6 I am pleased to report that the contributions system functions in a sound manner, considering that contributions outstanding represent 0.34% of the total contributions levied since the establishment of the 1992 Fund. This is an excellent record that reflects the strong support the IOPC Funds receive from their Member States and the oil industry in Member States.

5.2.7 Throughout 2024, the Secretariat has continued the dialogue with the authorities in Argentina, Curaçao, Ghana, the Islamic Republic of Iran, Malaysia, the Netherlands, the Russian Federation and the Bolivarian Republic of Venezuela with respect to the outstanding contributions in those Member States. I am not intending to take legal action regarding the outstanding contributions in these Member States at this time, but I am counting on the authorities in those Member States to support the IOPC Funds and continue to work together towards finding a solution to this ongoing situation.

5.2.8 As at 20 September 2024, there are no outstanding contributions due to the Supplementary Fund (document [IOPC/NOV24/5/2](#)).

Application of 1992 Fund Assembly Resolution N°12 and Supplementary Fund Assembly Resolution N°3 – Measures in respect of outstanding oil reports and outstanding contributions

5.2.9 The 1992 Fund Assembly and the Supplementary Fund Assembly have consistently expressed concerns regarding States that fail to meet their treaty obligations to submit oil reports and to ensure payment of annual contributions. In an effort to address this ongoing issue, during their sessions in April 2016, the governing bodies adopted 1992 Fund Assembly Resolution N°12 and Supplementary Fund Assembly Resolution N°3. These Resolutions consider the extent to which a Member State has fulfilled its obligations when submitting claims for compensation, electing members of the 1992 Fund Executive Committee or nominating candidates for membership of the Audit Body.

5.2.10 As at 20 September 2024, the measure to defer payments of compensation under the 1992 Fund Resolution N°12 was applicable to 21 Member States while the measure under the Supplementary Fund Resolution N°3 was not applicable to any Member State of the Supplementary Fund.

5.2.11 I am concerned that there are 21 Member States to which the measure to defer payments of compensation under the 1992 Fund Assembly Resolution N°12 is applicable, therefore these States may not have full access to compensation in the event of an incident.

5.2.12 I am also concerned that a considerable number of States Parties may find themselves unable to nominate candidates to be members of the Audit Body or the 1992 Fund Executive Committee, should the 1992 Fund Assembly make such a determination.

5.2.13 I would like to remind Member States of their obligation to submit oil reports under Article 15 of the 1992 Fund Convention and Article 13 of the Supplementary Fund Protocol. Additionally, I wish to emphasise the responsibility of Member States as stipulated in Article 13.2 of the 1992 Fund Convention and Article 12.1 of the Supplementary Fund Protocol, to ensure the fulfilment of any obligation to contribute to the IOPC Funds arising under the Conventions in respect of oil received within their territory. To this end, it is essential that appropriate measures be taken in accordance with national law (document [IOPC/NOV24/5/3](#)).

Application of 1992 Fund Assembly Resolution N°13 and Supplementary Fund Assembly Resolution N°5 – Measures encouraging the submission of oil reports

- 5.2.14 At their November 2023 sessions, also in response to the longstanding issue of non-submission of oil reports, the governing bodies adopted 1992 Fund Assembly Resolution N°13 and Supplementary Fund Assembly Resolution N°5. These Resolutions authorise the Director to issue invoices based on estimates, including retrospectively in relation to past periods, when no oil reports have been submitted (document [IOPC/NOV23/11/1](#), paragraphs 6.2.25 and 6.2.26, respectively).
- 5.2.15 Significant progress has been made in the application of these Resolutions. The Secretariat has identified the best data source for the estimation of contributing oil. Eight Member States of the 1992 Fund, all with oil reports outstanding for more than five years, have been prioritised for initial consideration in respect of the application of Resolution N°13: Albania, Bahrain, Djibouti, the Dominican Republic, Guinea, Panama, Saint Lucia and the Syrian Arab Republic.
- 5.2.16 The Secretariat has identified differences between oil reported to the 1992 Fund, if any, and the estimated volume received in-country in respect of the eight Member States. Communications have been sent to those Member States, encouraging them to fulfil their reporting obligations.
- 5.2.17 I feel confident that using my authority under Resolution N°13 alongside other tools, such as Article 14 of the 1992 Fund Convention, will encourage the prompt and correct reporting of contributing oil by these Member States and facilitate the resolution of these outstanding issues. A document on the progress made in the application of Resolution N°13 will be presented during the sessions (document [IOPC/NOV24/6/1](#)).

6 Budgetary matters

6.1 Budget for 2024 for the 1992 Fund

- 6.1.1 The 1992 Fund Assembly will be asked to approve the draft joint Secretariat administrative budget for 2025 of £5 775 384 (2024 – £5 382 018) and the expenditure on the external audit fee, relating only to the 1992 Fund, which is £79 800 (2024 – £74 290). This budget figure is 7.3% (£393 366) more than the 2024 budget.
- 6.1.2 I have worked hard with the Secretariat to contain the increase to the 2025 administrative budget as much as possible. The 7.3% increase was mainly driven by increases to staff costs under Chapter I – Personnel, which is always a challenge to control given the Secretariat’s use of the United Nations common system for salaries, allowances and benefits. In addition, there has been an increase associated with the additional Claims Manager post which I authorised during 2024 in response to an increase in the volume of incident-related work. The rental cost of office accommodation under Chapter II – General Services has also significantly increased. As at 10 September 2024, the terms of the lease are being re-negotiated (document [IOPC/NOV24/9/1/1](#)).
- 6.1.3 I will be proposing that the 1992 Fund maintains the working capital at £15 million in the budget year 2025. However, taking into account the increased risk of incidents occurring, the increased costs of compensation and the increased risk of tankers being at sea with no insurance or inadequate insurance, I will invite Member States to review the working capital. I will be proposing that the working capital be increased from £15 million to £22 million over two years (2026 and 2027) by increasing the levy of contributions to the General Fund (document [IOPC/NOV24/9/3](#)).

6.2 Budget for 2024 for the Supplementary Fund

6.2.1 The Supplementary Fund Assembly will be asked to approve the draft administrative budget for 2025 totalling £60 510 (2024 – £58 100) which consists of the management fee paid to the 1992 Fund for running of the joint Secretariat plus other administrative expenses (including the cost of the external audit fees).

6.2.2 I am also proposing that the Supplementary Fund maintains the working capital at £1 million and that there should be no levy of 2024 contributions to the General Fund (document [IOPC/NOV24/9/1/2](#)).

6.3 Assessment of contributions – General Fund and Major Claims Funds – 1992 Fund

6.3.1 I will be inviting the 1992 Fund Assembly to levy 2024 contributions to the General Fund of £13 million for payment by 1 March 2025 (document [IOPC/NOV24/9/1/1](#)).

6.3.2 I will also be inviting the 1992 Fund Assembly not to levy 2024 contributions to the Major Claims Funds established for the *Prestige*, *Alfa I*, *Agia Zoni II*, *Nesa R3* and *Bow Jubail* incidents, and the Incident in Israel. In addition, I will be inviting the 1992 Fund Assembly to levy 2024 contributions of £10 million to the *Princess Empress* Major Claims Fund, and 2024 contributions of £10 million to the *Gulfstream* Major Claims Fund, both payable by 1 March 2025. I will also be inviting the 1992 Fund Assembly to levy 2024 contributions of £40 million to the *Marine Honour* Major Claims Fund, with £30 million payable by 1 March 2025, and £10 million, or part thereof, to be invoiced later in 2025 if it proves necessary (document [IOPC/NOV24/9/2/1](#)).

6.3.3 I am aware that the rise in the volume of contributions being levied will create a financial burden on contributors to the 1992 Fund, however fluctuation in the size of the levies are caused by incidents in which the 1992 Fund is called upon to pay compensation. I would like to emphasise that the current assessment of contributions is not unprecedented and that fluctuation in the size of the levies is a typical feature of the IOPC Funds' financing, due to the fact that costs are driven by incidents. I would also like to express my appreciation towards contributors to the 1992 Fund for their understanding and continued cooperation.

6.4 Assessment of contributions — Supplementary Fund

6.4.1 I will be inviting the Supplementary Fund Assembly to decide not to levy 2024 contributions to the General Fund (document [IOPC/NOV24/9/1/2](#)).

6.4.2 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/NOV24/9/2/2](#)).

7 Appointment of the External Auditor

7.1 At their November 2023 sessions, the governing bodies noted that the tenure of the current External Auditor, BDO International LLP (BDO), would end with the audit of the IOPC Funds' Financial Statements for 2025. They instructed the Audit Body to conduct a competitive process for the selection of the IOPC Funds' External Auditor (document [IOPC/NOV23/11/1](#), paragraph 6.4.8).

7.2 The 1992 Fund Assembly will be invited to consider the recommendation of the Audit Body regarding the appointment of the IOPC Funds' External Auditor for a period of four years, i.e. the financial years 2026-2029 inclusive, subject to satisfactory annual performance reviews (document [IOPC/NOV24/6/2](#)).

7.3 I would like to thank the members of the Audit Body and the external expert for their outstanding efforts in selecting a highly competent and professional External Auditor for the Funds. Their recommendation to the governing bodies reflects the Audit Body's strong commitment to its mandate, and to ensuring the adequacy and effectiveness of the Funds' management and financial systems.

8 Re-appointment of the external expert

The first term of office of the current external expert, Mrs Alison Baker, will expire on 31 December 2024. On the recommendation of the Chair of the 1992 Fund Assembly, the 1992 Fund Assembly will be invited to re-appoint Mrs Alison Baker as the external expert of the Audit Body for a second three-year term, until 31 December 2027 (document [IOPC/NOV24/6/3](#)).

9 Secretariat matters

9.1 Changes within the Secretariat

9.1.1 There have been several changes to staff members since November 2023:

- Ms Sylvie Legidos resigned from her position of Translation Coordinator, Administration Department, with effect from 17 May 2024;
- Ms Chiara Della Mea resigned from her position of Senior Claims Manager, Claims Department, with effect from 18 July 2024;
- Mr Raymond Bayor was appointed to the position of Information Officer, Administration Department, with effect from 1 February 2024; and
- Mr Mouhamad Ali Kielany was appointed to the position of Claims Manager, Claims Department, with effect from 24 July 2024.

9.1.2 I have used the authority renewed by the 1992 Fund Assembly at its November 2023 session to create a new post of Claims Manager at the P3 level. A recruitment process has been conducted and Mr Matthew de Plater will take up this post in November 2024.

9.1.3 In addition, given the significant increase in the workload and activities undertaken towards the entry into force of the 2010 HNS Convention, I have amended the vacant Senior Claims Manager job description and utilised the existing P5 budgeted post for an HNS Project Manager at the P5 level. The HNS Project Manager will lead and direct all HNS activities to facilitate the prompt entry into force of the 2010 HNS Convention and the setting up of the HNS Fund Secretariat. Following a recruitment process an appointment has been made and this post will be filled in December 2024.

9.2 Provident Fund 1

As part of the review of the Provident Fund scheme in 2024, initial contact has been established with the United Nations Joint Staff Pension Fund to explore the possibility of the 1992 Fund joining the United Nations Joint Staff Pension scheme. More details on Secretariat matters will be provided during these sessions (document [IOPC/NOV24/7/1](#)).

10 2010 HNS Convention

10.1 Status of the 2010 HNS Convention

10.1.1 I am pleased to report that substantial progress has been made towards the entry into force of the 2010 HNS Convention and that this trajectory is expected to continue in 2025. As at 11 October 2024 there are eight Contracting States to the 2010 HNS Protocol, namely Canada, Denmark, Estonia, France, Norway, Slovakia, South Africa and Türkiye. As reported by the IMO Secretariat in circular HNS.2/Circ.14 in July 2024, five of the current Contracting States have more than 2 million units of gross tonnage. In total the eight States reported receiving in 2023 over 19.2 million tonnes of cargo which would contribute to the general account.

10.1.2 During 2024, the 1992 Fund Secretariat has continued to take opportunities to promote the entry into force of the 2010 HNS Convention, to engage with interested States and other key stakeholders, and to share information with industry representatives through the delivery of various workshops or other training and outreach activities, often in close cooperation with the IMO Secretariat. In parallel, the Secretariat has continued to carry out the tasks necessary to set up the HNS Fund and prepare for the first session of the HNS Fund Assembly as instructed by the 1992 Fund Assembly (document [IOPC/NOV24/8/2](#)).

10.1.3 I am also pleased to report that Belgium, Germany, the Kingdom of the Netherlands and Sweden will be informing the 1992 Fund Assembly of their commitment to take the necessary steps to deposit their instruments of ratification of the 2010 HNS Convention concurrently during early summer 2025, in accordance with Article 45 of the 2010 HNS Convention. This will mark a significant milestone towards the Convention's entry into force (document [IOPC/NOV24/8/2/2](#)).

10.2 HNS development budget for 2025

10.2.1 An appropriation of £799 000 has been included in the 1992 Fund's 2025 General Fund levy to cover the costs for the preparations for the entry into force of the 2010 HNS Convention and other administrative tasks for the setting up of the HNS Fund (document [IOPC/NOV24/9/1/1](#)).

10.2.2 The growing number of tasks being undertaken by the Secretariat as the entry into force of the 2010 HNS Protocol approaches, has given rise to higher levels of staff participation across the IOPC Funds' Secretariat. In response to the additional staff time required and to ensure that the Secretariat will be able to respond to the increased level of activity expected in 2025, an additional post of HNS Project Manager was created, in addition to the existing HNS Project Officer post, to lead and direct all HNS activities.

10.2.3 The increase in the management fee that I will be proposing is aimed at covering the costs associated with the significant rise in activities being undertaken by the Secretariat. The costs incurred in respect of the preparations for the entry into force of the 2010 HNS Convention and towards setting up the HNS Fund are being reflected in the proposed management fee which will be added to the loan provided by the 1992 Fund to the HNS Fund to be repaid with interest when the 2010 HNS Convention enters into force. More details on the progress made towards the entry into force of the 2010 HNS Convention will be provided during the sessions (documents [IOPC/NOV24/8/2](#) and [IOPC/NOV24/8/2/1](#)).

11 Information services

The Secretariat offers a wide range of accessible information services to support Member States, contributors and, in particular, those affected by oil spill incidents involving the IOPC Funds. Additionally, it strives to ensure the provision of appropriate materials and tools to complement the organisation's efforts in raising awareness of the international liability and compensation regime.

During 2024 improvements have been made to the IOPC Funds' website and to the organisation's Annual Report, which have both been well received. The Secretariat continues to enhance its communication methods with Member States and other key stakeholders by sharing news on social media and encouraging representatives of Member States to register for an online account via the website, which helps to ensure important notifications reach the correct recipients in a timely manner (document [IOPC/NOV24/7/2](#)).

12 Support for Member States and outreach activities

- 12.1 I am pleased to note the continued active engagement of States and stakeholders in the training and outreach activities offered by the Secretariat in London, including the Annual Academy, Induction Course and regional lunch meetings for UK-based State representatives. I was also delighted with the success of the webinars which the Secretariat delivered regularly during 2024, and which attracted participants from governments, industry, insurers, fellow maritime-related organisations, lawyers, oil spill response experts and more, representing a global audience.
- 12.2 During 2024, the Secretariat has also continued to collaborate with and support the organisation of international conferences, exhibitions, national and regional workshops and other training events, including a number of customised in-person training activities at the request of Member States. Such activities are, whenever possible, combined with incident-related meetings to maximise the use of the Funds' resources. Over the course of the year, together with other members of the Secretariat, I personally visited France, India, Japan, the Netherlands, the Philippines, Singapore, and Trinidad and Tobago, to meet with key representatives and stakeholders, and discuss specific issues of common interest.
- 12.3 In addition, the Secretariat has hosted visits from universities and other educational institutions. The Director and the Deputy Director/Head of Claims were also invited to deliver lectures for the International Maritime Law Institute (IMLI) in Malta, the World Maritime University (WMU) in Sweden and the International Foundation of the Law of the Sea (IFLOS) in Germany.
- 12.4 I am very pleased to see regular direct engagement between the organisation and its Member States throughout this past year. Meetings with Member States provide a valuable occasion to cooperate with government officials and other stakeholders who have a responsibility in the areas of oil reporting and oil spill preparedness and response, strengthening the international liability and compensation regime (document [IOPC/NOV24/7/3](#)).

13 Format of the meetings

During previous discussions on the future format of the IOPC Funds' meetings, delegations expressed differing views on the most suitable way forward for the organisation. However, there was consensus that remote participation should complement, not replace, in-person attendance. I will therefore propose that Member States choose between continuing to hold in-person meetings complemented by a passive streaming service or holding meetings in person, complemented by remote-active participation (hybrid meetings) (document [IOPC/NOV24/1/3](#)).

14 Decisions to be made

Listed below are some of the main decisions to be made by the governing bodies during the meeting:

- (a) Decide whether continue to hold meetings in person, complemented by a passive streaming service; or to hold hybrid meetings (document [IOPC/NOV24/1/3](#));
- (b) Decide whether to authorise the Director to make payments in respect of losses arising out of the *Marine Honour* incident (document [IOPC/NOV24/3/15/1](#));
- (c) Decide whether to authorise the Director to make payments in respect of losses arising out of the *Terranova* incident and whether to sign an agreement on interim payments with Steamship Mutual in respect of this incident (document [IOPC/NOV24/3/16](#));
- (d) Elect 15 States to the Executive Committee (document [IOPC/NOV24/4/1](#));
- (e) Decide whether to adopt the proposed revised draft 1992 Fund and Supplementary Fund Resolutions on raising awareness of the risk of uninsured and unsafe ships (document [IOPC/NOV24/4/3](#));
- (f) Decide whether to endorse the guidance for Member States for investigating the circumstances surrounding an oil pollution incident involving unsafe and uninsured ships, or those with insurance not fully compliant with Article VII of the 1992 CLC, and incidents where the source of the spill is unclear, in order to identify ships and persons involved, including, but not limited to, shipowners and their insurers (document [IOPC/NOV24/4/3/1](#));
- (g) Decide whether to authorise the incorporation of the proposed footnote in the IOPC Funds' publication 'Guidance for Member States, Consideration of the definition of 'ship'', under section 3, paragraph 3.1.2) (document [IOPC/NOV24/4/5](#));
- (h) Decide whether to approve the 2023 Financial Statements for the 1992 Fund and the Supplementary Fund (documents [IOPC/NOV24/5/7/1](#) and [IOPC/NOV24/5/7/2](#));
- (i) Decide whether to approve the Audit Body's recommendation that Forvis Mazars be appointed as the External Auditor of the IOPC Funds for a period of four years, i.e. the financial years 2026-2029 inclusive, subject to satisfactory annual performance reviews (document [IOPC/NOV24/6/2](#));
- (j) Decide whether to re-appoint Mrs Alison Baker as the external expert of the Audit Body for a second three-year term, until December 2027 (document [IOPC/NOV24/6/3](#));
- (k) Decide whether to approve the estimate of the expenses to be incurred in 2025 in respect of the preparation for the entry into force of the 2010 HNS Convention (documents [IOPC/NOV24/8/2/1](#) and [IOPC/NOV24/9/1/1](#));
- (l) Decide whether to adopt the draft 2025 budget for the 1992 Fund and approve the management fee payable by the Supplementary Fund to the 1992 Fund (documents [IOPC/NOV24/9/1/1](#) and [IOPC/NOV24/9/1/2](#));

- (m) Decide whether to approve the proposal on levies to the General Fund and the Major Claims Funds (documents [IOPC/NOV24/9/1/1](#) and [IOPC/NOV24/9/2/1](#)); and
- (n) Decide whether to maintain the working capital at £15 million in the budget year 2025 and whether to approve the proposal to increase the working capital to £22 million over the budget years 2026 and 2027 by increasing the levy of contributions to the General Fund (documents [IOPC/NOV24/9/1/1](#) and [IOPC/NOV24/9/3](#)).

15 Looking ahead

- 15.1 A lot has been achieved throughout 2024, with the organisation responding promptly to three incidents in relatively close succession. It is important that the IOPC Funds continues to be fully prepared at all times in the year ahead.
- 15.2 The Secretariat will maintain its proactive engagement with Member States to ensure the uniform and effective implementation and interpretation of the Conventions during 2025, which is key for the success and proper functioning of the international liability and compensation regime. Throughout 2025 the Secretariat will focus on enhancing its preparedness for potential oil spills, along with that of Member States. We will collaborate with government officials and other stakeholders who have a responsibility in the areas of oil reporting and oil spill preparedness and response, and will continue to raise awareness about the advantages provided by the compensation regime.
- 15.3 The transportation of oil that is being conducted by unsafe, uninsured or insufficiently insured ships is undermining IMO's safety and environmental standards as well as the international liability and compensation regime. This situation has led to an increased risk for the Funds and for contributors who may ultimately have to bear the cost of compensation. I believe that the internal procedure and the guidance for Member States, alongside the 1992 Fund and the Supplementary Fund Resolutions on raising awareness about uninsured and unsafe ships, will assist Member States in managing incidents involving irregular practices. However, I will continue to cautiously monitor developments in 2025, given the potential impact that this increased risk could have on the IOPC Funds and the wider compensation system.
- 15.4 Significant progress has been made towards the entry into force of the 2010 HNS Protocol. During 2024, the Secretariat continued to work towards facilitating this process, and the momentum achieved so far is expected to increase in 2025. In collaboration with IMO, the Secretariat will continue to assist States in their efforts to ratify the 2010 HNS Protocol and will focus on developing a robust and efficient system for HNS reporting and invoicing of contributions. In order to respond to the growing volume of tasks undertaken by the Secretariat to facilitate the entry into force of the 2010 HNS Convention and establish the HNS Fund, I have carried out structural changes within the Secretariat. These adjustments aim to make the best possible use of the organisation's resources while adapting to its changing needs, efficiently and effectively.
- 15.5 The submission of oil reports and the timely payment of contributions are essential for the proper operation of the international liability and compensation regime. In 2025, the Secretariat will continue to emphasise the importance of the annual submission of oil reports and the timely payment of contributions by the oil receiving entities in Member States. We will continue applying 1992 Fund Resolution N°12 and Supplementary Fund Resolution N°3 and enhancing the data sources for the estimation of contributing oil receipts.
- 15.6 The areas of focus outlined above each fall under the promise I made when I was elected Director in 2021, to work with my colleagues at the Secretariat to ensure that the organisation continues to serve the Member States and the victims of oil pollution, and to protect the interests of the IOPC Funds, while adapting to the changing needs in an efficient and effective manner.

16 **Gratitude**

- 16.1 During my third year as Director of the IOPC Funds, I have remained actively involved with the Member States, the oil industry, the P&I Clubs, IMO, other international organisations and the international shipping community. It has been a privilege to work with them in order to enhance the effective operation of the international compensation regime and reinforce even more the role of the IOPC Funds. I am deeply grateful to all of them for their ongoing support and cooperation.
- 16.2 I would also like to express my sincere gratitude to the members of the Audit Body for their ongoing dedication to the IOPC Funds throughout 2024. They have played a very important role in supporting the work of the Secretariat, offering their expertise and insight in key tasks such as selecting the External Auditor and reviewing the Financial Statements of the 1992 Fund and the Supplementary Fund for the year ending 31 December 2023. They have also provided invaluable advice during the drafting of the Guidance for Member States for investigating the circumstances surrounding an oil pollution incident. I would also like to thank the Investment Advisory Body and the representatives of the External Auditor (BDO), and the lawyers and experts who work with the IOPC Funds.
- 16.3 I would also like to thank the Secretary-General of IMO, Mr Arsenio Dominguez, and his staff for their continued support to the IOPC Funds. Throughout 2024, the strong relationship that has long existed between the IOPC Funds and IMO has continued to grow. This is reflected in the joint initiatives and collaborative efforts that we have undertaken together, particularly addressing challenges and working closely on issues that are important to the maritime community.
- 16.4 I would also like to thank the Chairs and Vice-Chairs of the governing bodies who are occasionally called upon outside of sessions of the governing bodies to provide views and assistance to me and the Secretariat on key issues affecting the IOPC Funds. In particular, I would like to extend my gratitude to the Chair of the 1992 Fund Assembly who will be stepping down after having served in this role since 2021. Ambassador Bandini has served the Funds as a delegate since 2013 and was Chair of the Executive Committee from 2017 to 2019. He has a distinguished career in the diplomatic service and is widely respected for his dedication to work, his commitment to fostering dialogue and his vast expertise in maritime issues. Ambassador Bandini's ability to navigate very complex discussions with natural ease, combined with his eloquence and wit, has been instrumental in achieving consensus on very challenging issues.
- 16.5 Finally, I would like to express my gratitude to all my colleagues in the Secretariat for their commitment and dedication, which have been essential to my daily work.

17 **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.
