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REPORT OF THE DIRECTOR

1 Introduction

1.1 The IOPC Fund was set up pursuant to the Fund Convention which entered into force on 16 October 1978. The first session of the Assembly of the IOPC Fund was held from 13 to 17 November 1978. When the Assembly holds its 11th session in October 1988, ten years will have elapsed since the Fund Convention entered into force.

1.2 This report covers the activities of the IOPC Fund since the 10th session of the Assembly and thus covers the 10th year of operation. As in previous years, the report contains a review of some of the main issues relating to the IOPC Fund's activities during that period. The various aspects of these activities are dealt with in detail in the documents submitted to the 11th session of the Assembly and to the 20th session of the Executive Committee. This report also deals with the finances of the IOPC Fund for the first eight months of 1988. In addition, since the IOPC Fund has now been in existence for ten years, the report sets out some of the major developments that have taken place since the establishment of the Fund in 1978.

1.3 The IOPC Fund's Annual Report for the calendar year 1987 was published in February 1988. In the first years after the establishment of the IOPC Fund, the Annual Report was very modest in size. Over the years it has been expanded to give a more extensive presentation of the activities of the Fund, since the Director considered that a wider presentation would be useful for all those dealing with the IOPC Fund, ie Governments, public authorities, shipowners, P & I Clubs, contributors, inter-governmental and non-governmental organisations, as well as victims of oil pollution damage. The interest in the expanded report shown by various bodies and interested circles demonstrates that it fulfils a useful purpose.

1.4 Since the 10th session of the Assembly, there have been only two new incidents involving the IOPC Fund, namely the AMAZZONE and the TAIYO MARU N°13 incidents, which occurred in France and Japan, respectively. Several incidents which occurred in previous years still require a considerable amount of work by the IOPC Fund's Secretariat. The legal action in the TANIO case (France, 1980) which the IOPC Fund, together with the French Government, had taken against the owner of the TANIO and other parties was finally settled out of court in

December 1987, after lengthy and complicated negotiations. As a result of this settlement, the IOPC Fund recovered over half the amount that it had paid to the French Government and other victims. The PATMOS incident, which occurred in the Straits of Messina in Italy in 1985, has given rise to large claims against the IOPC Fund, and the Fund has become involved in complex court proceedings in Italy. There are also major claims against the IOPC Fund resulting from the THUNTANK 5 and the ANTONIO GRAMSCI incidents which occurred in Sweden in 1986 and in Finland in 1987, respectively.

2 Membership

2.1 At the time of the entry into force of the Fund Convention in October 1978, the IOPC Fund had 14 Member States. At the end of 1983, ie after five years, there were 28 Member States. By the time of the 10th Assembly in October 1987, 36 States were Members of the IOPC Fund.

2.2 Four States have become Members of the IOPC Fund since the 10th session of the Assembly. The Fund Convention entered into force for the Federal Republic of Nigeria on 10 December 1987, for the Republic of Côte d'Ivoire on 3 January 1988, for the Republic of Seychelles on 11 July 1988, and for the State of Qatar on 31 August 1988. By the time of the 11th session of the Assembly the IOPC Fund will have 40 Member States.

2.3 On the basis of the information available to the IOPC Fund's Secretariat, it is expected that several States will join the IOPC Fund in the near future. In Canada, Ireland and Morocco the Parliaments have approved the Fund Convention and the necessary implementing legislation, and these States will soon deposit their instruments of accession to the Convention. Legislation implementing the Fund Convention is in an advanced stage in Belgium, Cyprus, the German Democratic Republic and Saudi Arabia. Several other States, such as Argentina, Barbados, China, Costa Rica, El Salvador, the Gambia, India, Jamaica, Malaysia, Malta, Republic of Korea, St Kitts and Nevis, Senegal, Sierra Leone, Singapore, Trinidad and Tobago, Vanuatu and Venezuela, are also examining the question of accession to the Fund Convention.

3 Contacts with Governments and Interested Bodies

3.1 The IOPC Fund and its Secretariat have over the years always benefited from a strong support from the Governments of Member States. Due to the spirit of co-operation shown by Member Governments, it has been possible to solve any problems that have arisen. The Director's visits to a number of Member States have contributed to the establishment of valuable personal contacts between the IOPC Fund's Secretariat and officials within the national administrations dealing with Fund matters.

3.2 In this context, the Director would like to emphasise the importance of the special relationship that the IOPC Fund has with the Government of the United Kingdom as the Host Government. The generous financial support given by the United Kingdom Government, in the form of paying a major part of the rent and rates for the IOPC Fund offices as well as a major part of certain other costs relating thereto, has reduced the costs of administration of the IOPC Fund. In addition, the United Kingdom Government has reduced the expenses of running the IOPC Fund's Secretariat by enabling it to have its offices in the

same building as the headquarters of the International Maritime Organization (IMO). The United Kingdom Government has also in other respects given the IOPC Fund valuable assistance and advice, from time to time.

3.3 Since the 10th session of the Assembly, the Director has visited seven Member States - Finland, France, Gabon, Greece, Indonesia, Italy and Monaco - for discussions with government officials on the Fund Convention and the operations of the IOPC Fund.

3.4 As instructed by the Assembly at its 9th session, the IOPC Fund's Secretariat has intensified its efforts to increase the number of Member States. To this end, the Secretariat has tried to convey as much information as possible about the Civil Liability Convention and the Fund Convention to governments and representatives of industry, since the compensation system created by these Conventions is very complex. For this purpose, the Director went to Cyprus, Malaysia, Singapore and Thailand for discussions on the Civil Liability Convention and the Fund Convention with government officials in these States. To this end the Legal Officer visited Jamaica.

3.5 The Director and the Legal Officer also had discussions with government representatives of both Member and non-Member States in connection with meetings within IMO, in particular during the sessions of the IMO Assembly in November 1987 and the IMO Council in June 1988.

3.6 The Director gave lectures on liability and compensation for oil pollution damage and the operations of the International Oil Pollution Compensation Fund at a sub-regional seminar for West and Central Africa, held in Libreville (Gabon) with participants from 16 States in the region. In connection with his visits to Greece, Indonesia and Malaysia, the Director lectured on the compensation system under the Conventions to representatives of public authorities and interested circles in these countries. He participated in a Conference on Pollution of the Marine Environment organised by the Advisory Committee on Pollution of the Sea (ACOPS) in Venice (Italy). The Director and the Legal Officer participated in discussions on compensation issues at a meeting held in London within the framework of the Bonn Agreement for co-operation in dealing with pollution in the North Sea. The Director also gave a lecture on the IOPC Fund to members of the French Maritime Law Association in Paris (France). He will be giving lectures on liability and compensation for oil pollution damage to the students of the World Maritime University in Malmö (Sweden) in September 1988. The Legal Officer lectured on oil pollution liability at a training course on oil pollution combating (MEDIPOL 88) which was organised by the Regional Oil Combating Centre for the Mediterranean Sea (ROCC) in Valetta (Malta), and at a workshop in Puerto Rico on Oil Spill Contingency Plans for the Caribbean region with participants from 15 States. He will give lectures on liability and compensation for oil pollution damage at a seminar on marine pollution combating systems, to be held in Tokyo (Japan) in September 1988 with participants from 10 countries in the East and South China Sea region, and at a regional seminar on MARPOL 73/78 for the South East Asian countries, to be held in Singapore at the beginning of October 1988.

3.7 The IOPC Fund's Secretariat has, on request, assisted several non-Member States in the elaboration of the national legislation necessary for the implementation of the Civil Liability Convention and the Fund Convention.

4 The 1984 Protocols to the Civil Liability Convention and the Fund Convention

4.1 In 1984 a Diplomatic Conference held in London under the auspices of IMO adopted two Protocols to amend the Civil Liability Convention and the Fund Convention, respectively. These Protocols provide higher limits of compensation and a wider scope of application than the Conventions in their original versions.

4.2 The Protocol to the Civil Liability Convention has been ratified by Australia, France, Peru and South Africa, whereas only France has so far become Party to the Protocol to the Fund Convention. In the Federal Republic of Germany and the United Kingdom, bills which would enable the Governments to ratify the Protocols have been approved by the respective Parliaments, and it is expected that these two States will soon ratify the Protocols to both Conventions. In the United States of America, the Protocols and the necessary implementing legislation are being considered by Congress. Several other States, eg Denmark, Finland, the Netherlands, Norway and Sweden, have begun preparing legislation enabling them to ratify the Protocols.

5 Contributions

5.1 The Assembly decided at its 10th session to levy 1987 annual contributions in the amount of £800 000 for the general fund and in the amount of £400 000 for the BRADY MARIA major claims fund. The amount payable by each contributor per tonne of contributing oil received was £0.0010154 in respect of the general fund, based on the quantities of oil received in 1986, and £0.0005193 in respect of the BRADY MARIA major claims fund, based on the quantities received in 1985 (the year before the incident). The payments were due by 1 February 1988. Only a small amount (£10 674) remained unpaid as at 15 September 1988.

5.2 In respect of contributions levied for previous years, the situation is very satisfactory, as only very small amounts are in arrears. On 15 September 1988, only an amount of £21 909 was outstanding, representing less than 0.06% of the contributions assessed for all previous years.

5.3 These figures show that the contributors fulfil their obligations to pay contributions in a manner that greatly facilitates the operations of the IOPC Fund. The Director has never had to resort to taking legal action against a defaulting contributor. The Director would like to express to the contributors his sincere appreciation for their co-operation over the years.

5.4 The payments made by the IOPC Fund in respect of claims for compensation for oil pollution damage and for indemnification of shipowners vary considerably from year to year. Consequently, the level of contributions to the IOPC Fund varies from one year to another, as illustrated in the following table setting out the contributions levied during the period 1979-1987. As can be seen from the table, the level of contributions has been low, except in respect of 1980 and 1983 when considerable amounts were levied for the first ANTONIO GRAMSCI incident and for the TANIO incident, respectively.

<u>Year</u>	<u>General Fund</u>	<u>Major Claims Funds</u>	<u>Total Levy</u>
	£	£	£
1979	750 000	0	750 000
1980	800 000	9 200 000	10 000 000
1981	500 000	0	500 000
1982	600 000	260 000	860 000
1983	1 000 000	23 106 000	24 106 000
1984	0	0	0
1985	1 500 000	0	1 500 000
1986	1 800 000	0	1 800 000
1987	800 000	400 000	1 200 000

5.5 The Director has not yet received the reports on contributing oil receipts in 1987 from some Member States. By 31 March 1988, the last date for Member States to submit their reports in accordance with the IOPC Fund's Internal Regulations, only 12 reports had been received by the Director; by 15 September 1988 altogether 29 reports had been received. In addition, a few States have still not submitted their reports in respect of contributing oil receipts in 1985 and 1986 (cf Annex I to document FUND/A.11/6). This situation is not satisfactory. It is of decisive importance for the functioning of the IOPC Fund that these reports are actually submitted by Governments. If the reports on contributing oil receipts are not received by the IOPC Fund, the Director is unable to issue invoices to contributors in the States concerned. The question as to whether it is possible to improve the reporting system is dealt with in detail in document FUND/A.11/17.

6 Investment of Funds

6.1 The investments of the IOPC Fund are made by the Director on the basis of principles laid down in Financial Regulation 7.1. Until the autumn of 1982 the investment policy of the IOPC Fund was to place its assets on term deposits with banks recognised by the Bank of England. In October 1982, the IOPC Fund Assembly, at its 5th session, modified the investment policy so as to allow investments also with discount houses which are members of the London Discount Market Association. The Director has continued to monitor developments in investment trends and asset management with a view to ensuring that the IOPC Fund gets a high return on its investments.

6.2 During 1987 and 1988, funds which were not required for the short-term operation of the IOPC Fund were invested with several leading London banks. Apart from investments placed overnight till the next business day, the average rate of interest on the investments in 1987 was 10.5%. Due to the fall in interest rates during the early part of 1988, the rates obtained on investments made during the first half of 1988 have generally been lower than in 1987. However, since interest rates in London rose during the summer of 1988, it is expected that investments made during the second half of 1988 will attract higher interest rates than those made during the first half of the year.

6.3 It is expected that the average interest rate on the IOPC Fund's investments in 1988 will be approximately 9.5%. Interest earned during the first eight months of the year is £309 100 with about £1 122 000 due during the remaining four months, on an estimated average capital of £16 million. It should be noted that 75% of the invested amount belongs to the TANIO Major Claims Fund.

6.4 Details of the investments from 1 July 1987 to 30 June 1988 are given in document FUND/A.11/4.

7 Accounts of the IOPC Fund

7.1 From the establishment of the IOPC Fund, its accounts were kept manually. Following the purchase of a personal computer in 1987, the accounts have now been computerised, and the audited accounts for the tenth financial period will be based on computerised accounting. The Secretariat had continued with manual accounting for so long in spite of the developments towards computerisation that have taken place in accounting in recent years. The main reason therefor was the fear that computerisation of accounting would entail the employment of additional staff and the purchase of equipment which many not be cost-effective for an organisation such as the IOPC Fund. It is gratifying to note that this fear has not materialised.

7.2 The expenditure for the administration of the IOPC Fund in 1987 was £282 854, compared with the budgetary appropriation of £337 450. Details of the accounts of the IOPC Fund for the financial year 1987 are given in the Financial Statements (document FUND/A.11/5, Annex IV).

7.3 The expenditure for the administration during the first eight months of 1988 amounts to approximately £165 000. The budget appropriation for the whole of 1988 is £344 130. It is expected that there will be a budgetary surplus at the end of the year.

7.4 As in previous years, excellent co-operation with the External Auditor, the Comptroller and Auditor General of the United Kingdom, has facilitated the administration of the IOPC Fund.

8 Settlement of Claims

8.1 Since its establishment in October 1978 the IOPC Fund has, up to 20 September 1988, been involved in the settlement of claims arising out of 34 incidents. 17 of these incidents occurred in Japan, whereas 13 incidents, leading in general to much larger claims, took place in European waters, one in Indonesia, one in Algeria and two in the Persian Gulf. The total amount of compensation and indemnification paid by the IOPC Fund as at 20 September is £37 million.

8.2 The case involving by far the largest claims was the TANIO incident (France, 1980), in respect of which the IOPC Fund paid £18.3 million to claimants. Major payments have also been made in respect of the following incidents: ANTONIO GRAMSCI (Sweden, 1979), £9.3 million, ONDINA (Federal Republic of Germany, 1982), £3.0 million, FUKUTOKU MARU N° 8 (Japan, 1982), £1.1 million, JAN (Denmark, 1985), £800 000, and BRADY MARIA (Federal Republic of Germany, 1986), £1.1 million. For details regarding the various incidents with which the IOPC Fund has dealt over the years, reference is made to the 1987 Annual Report and to Table M of the updated statistics (1988) distributed during this session of the Assembly.

8.3 The compensation payable by the IOPC Fund in respect of any one incident is limited in amount (Article 4.4). This limit (including the shipowner's liability) was originally 450 million (gold) francs (30 million SDR). In 1979,

at its 2nd session, the IOPC Fund Assembly decided, pursuant to Article 4.6 of the Fund Convention, to increase this limit to 675 million (gold) francs (45 million Special Drawing Rights, SDR) for incidents occurring after 20 April 1979.

8.4 Pursuant to a decision of the IOPC Fund Assembly taken in October 1986 at its 9th session, the maximum liability of the IOPC Fund in respect of any one incident was increased to 787 500 000 (gold) francs (52.5 million SDR) for incidents which occurred after 30 November 1986. A further increase to 900 million (gold) francs (60 million SDR), as decided by the Assembly at its 9th session, came into effect for incidents occurring after 30 November 1987. The maximum amount of compensation payable by the IOPC Fund in respect of any one incident is consequently 60 million SDR, which corresponds to £46 million (on the basis of the value of the SDR on 30 June 1988), including any amount actually paid by the shipowner or his insurer under the Civil Liability Convention.

8.5 Over the years the Assembly and the Executive Committee have taken a number of other important decisions relating to the settlement of claims. Of particular importance are the decisions taken by the Assembly and the Executive Committee concerning the interpretation of the definition of "pollution damage" as laid down in the Civil Liability Convention and the Fund Convention, in view of the fact that a uniform interpretation of this definition is essential for the functioning of the regime of compensation created by these Conventions.

8.6 In this regard, the Director would like to draw attention to the Resolution adopted by the IOPC Fund Assembly in 1980 concerning the admissibility of claims relating to damage to the environment. This question was discussed within the IOPC Fund in connection with the first ANTONIO GRAMSCI incident which occurred in the USSR in 1979. It is stated in the Resolution that the assessment of compensation "...is not to be made on the basis of an abstract quantification of damage calculated in accordance with theoretical models". This Resolution has already been of considerable importance in connection with the PATMOS incident and is also of relevance in the context of the second ANTONIO GRAMSCI incident.

8.7 Other important decisions have been taken in respect of the interpretation of the notion of pollution damage, on the basis of the examination carried out in 1981 by an Inter-sessional Working Group set up by the Assembly. This Working Group examined inter alia the admissibility of "fixed costs" (ie costs that a State would have incurred even if the incident in question had not taken place, for example normal salaries of personnel of government agencies) and the admissibility of claims for overheads. Decisions have also been taken concerning claims for loss of income suffered by fishermen, hoteliers and restaurateurs at sea-side resorts. In the context of the PATMOS incident, the Executive Committee took position in respect of the relationship between salvage and preventive measures; in the view of the Committee, operations could be considered as falling within the definition of "preventive measures" only if the primary purpose was to prevent pollution damage.

8.8 During negotiations with claimants in connection with various incidents, the Director developed procedures for the practical handling of claims. He also developed further the position of the IOPC Fund on several important issues of substance, on the basis of the decisions of the Assembly and the Executive Committee. The Director's decisions on such issues have been reported to the Executive Committee.

8.9 It should be noted that, except in respect of one incident, it has so far always been possible to reach agreement between the IOPC Fund and the claimants on the quantum of their claims, thereby avoiding protracted and costly court proceedings. Sometimes such agreements have been reached only after lengthy and difficult negotiations, but the claimants have generally understood that the IOPC Fund is prepared to accept reasonable claims and is not merely trying to reduce the amounts claimed.

8.10 As mentioned above, only two incidents involving the IOPC Fund have occurred since the 10th session of the Assembly, namely the AMAZZONE and the TAIYO MARU N°13 incidents.

8.11 When passing the coast of Brittany (France) in January 1988, the Italian tanker AMAZZONE lost approximately 2 000 tonnes of heavy fuel oil during a severe storm. The oil polluted 450 - 500 kilometres of the coast of Brittany; the islands of Jersey and Guernsey were also affected. Extensive operations to combat the spilt oil were undertaken by the French authorities. So far, only a few minor claims have been submitted.

8.12 In March 1988, approximately six tonnes of oil were spilled from the Japanese tanker TAIYO MARU N°13. The clean-up operations were completed within a few days, and this incident gave rise only to small claims against the IOPC Fund. These claims have been approved by the Director.

8.13 In addition to the two new incidents mentioned above, there are, as at 15 September 1988, seven incidents in respect of which final settlements have not yet been reached, namely: the KOSHUN MARU N° 1 (in respect of which only a recourse claim is outstanding), PATMOS, BRADY MARIA (also in this case only a recourse claim is outstanding), OUED GUETERINI, THUNTANK 5, ANTONIO GRAMSCI and AKARI incidents.

8.14 The most important development since the 10th session of the Assembly relates to the TANIO incident which occurred in 1980 off the coast of Brittany (France). In 1983 the IOPC Fund took action in the Court of Brest (France) against the owner of the TANIO and other parties to recover the amounts paid to the claimants, at that time totalling FF221 millions (£18.2 million). The French Government took action against the same defendants for the purpose of obtaining compensation for that part of its total claim which was not compensated by the shipowner's limitation fund and the IOPC Fund.

8.15 At the 18th session of the Executive Committee, the Director reported on the discussions which had been held concerning the possibility of an out-of-court settlement, and he submitted a proposed agreement for such a settlement to the Committee for consideration. The Executive Committee approved the proposed agreement, provided that the agreement was approved by the competent authorities of the French State. The Executive Committee also authorised the Director to approve any necessary agreement concerning the details of the proposed settlement. The French authorities approved the settlement in November 1987. The settlement was embodied in a Protocol which was signed by the Director, on behalf of the IOPC Fund, on 15 December 1987 in Paris. Under this settlement the IOPC Fund recovered £9.5 million, ie more than half the amount paid by it to the French Government and other victims. Final payments will be made to all victims before the 11th session of the Assembly, and all other outstanding issues in this case have been resolved.

8.16 As for the PATMOS incident, 42 claims totalling £33 million were filed against the shipowner's limitation fund and against the IOPC Fund. Most of these claims were settled out of court. However, the IOPC Fund has become involved in complex legal proceedings in Italy concerning some of the major claims which have been rejected by the Director. In these proceedings, some important legal issues have arisen, ie the relationship between salvage operations and preventive measures, and questions relating to damage to the marine environment. These issues were discussed by the Executive Committee at its 16th and 18th sessions. In a judgment rendered in July 1986, the Court of first instance accepted to a large extent the position taken by the IOPC Fund. Some issues of great importance are subject to litigation in the Court of Appeal in Messina, and there has been very little progress in the appeal proceedings since the 10th session of the Assembly. However, two major claims were settled out of court in February 1988. These claims related to the question of the relationship between salvage operations and preventive measures. The aggregate amount of all the claims accepted by the Court so far, including the claims covered by this out-of-court settlement, do not exceed the shipowner's limitation amount. The main outstanding issue relates to a claim submitted by the Italian Government for compensation for damage to the marine environment which was rejected by the Court of first instance. The judgement of the Court of Appeal is not expected until the beginning of 1989.

8.17 As for the JAN incident which occurred in Denmark in 1985 final settlement in respect of the outstanding items of the Danish Government's claim was reached on 1 September 1988.

8.18 For details of the new incidents and for recent developments regarding the settlement of claims arising out of earlier incidents, reference is made to documents FUND/EXC.20/2 (TANIO incident), FUND/EXC.20/3 (PATMOS incident), and FUND/EXC.20/4 (all other incidents).

9 Administration of the IOPC Fund

9.1 At the time of the establishment of the IOPC Fund, the Assembly decided that the Fund should have a small Secretariat and that it should use outside experts for the fulfilment of tasks which could not be carried out by the permanent staff members. The present structure of the Secretariat was established in 1981. The Secretariat was then composed of the Director, two professional staff members and three secretaries. Only one new post has been created since then, that of a messenger in 1983. This is so in spite of the fact that the Organisation has grown from 14 to 40 Members States since its establishment in 1978.

9.2 Experience has shown that the solution adopted, ie that of a small Secretariat, was a good one. It has been possible to carry out the operations of the IOPC Fund at very low costs. Consultants such as lawyers, surveyors and other technical experts have been used by the IOPC Fund, mainly in connection with incidents in which the Fund has been involved.

9.3 There has been only one change in the permanent staff of the IOPC Fund's Secretariat since the 10th session of the Assembly. As reported at that session, the Secretary to the Finance Officer, Miss J Duchemin, left the IOPC Fund for family reasons on 4 September 1987. She was succeeded on 19 October 1987 by Miss B See.

9.4 The Director would like to express his gratitude to all members of the IOPC Fund's Secretariat for their work which, as in previous years, has been of very high quality. Only due to the devotion and skill of all staff members has it been possible to keep a very small Secretariat, in spite of the increase in workload which has taken place in recent years.

10 Relationship with other Organisations

10.1 The operation of the IOPC Fund has been greatly facilitated by close and friendly co-operation with many international, inter-governmental and non-governmental organisations.

10.2 The assistance and support given by IMO to the IOPC Fund is of special importance. This support was especially vital during the first years, but still after ten years this close link with IMO is of great value to the IOPC Fund. The Director expresses his profound gratitude to the Secretary-General of IMO and his staff for the assistance they have given the IOPC Fund.

10.3 Co-operation with other organisations within the United Nations system, as well as with inter-governmental organisations outside that system has been of great value to the IOPC Fund.

10.4 Over the years the IOPC Fund has also had close co-operation with a number of international non-governmental organisations and other non-governmental bodies. The Director would like to emphasise the importance of the co-operation with the P & I Clubs in connection with the settlement of claims. This co-operation is not only in the interest of the IOPC Fund and the Clubs but also in the interest of claimants, since it contributes to speedy settlements. The International Tanker Owners Pollution Federation Limited (ITOPF) is usually called upon by the IOPC Fund to provide technical expertise with regard to oil pollution incidents; ITOPF's assistance is vital, as the IOPC Fund does not have such expertise within its Secretariat. Co-operation with shipowners has been facilitated by close contacts with the International Chamber of Shipping (ICS) and INTERTANKO. There is also close co-operation between the IOPC Fund and oil industry interests represented by the Oil Companies International Marine Forum (OCIMF) and CRISTAL. The co-operation between the IOPC Fund and CRISTAL will be even more important in the future, in view of the link between the system of compensation established by the international Conventions and the voluntary industry schemes (TOVALOP and CRISTAL) created by the revision of the voluntary schemes in 1987. During recent years, valuable contacts have been established with non-governmental organisations representing environmental interests. The relationship with other non-governmental organisations which have observer status has also been of great value to the IOPC Fund.

11 Final Remarks

11.1 In conclusion, the Director would like to express his relief that there has been no disastrous oil pollution incident in any Member State since the 10th session of the Assembly. In recent years Member States have been fortunate in this regard, no major disaster having occurred in these States since the TANIO incident in 1980. However, several incidents involving laden tankers which took place in these States in recent years were very close to becoming real disasters. Some serious oil spills involving laden tankers have occurred in States which are now considering accession to the Fund Convention.

11.2 The IOPC Fund's Secretariat has made great efforts to settle outstanding claims arising out of earlier incidents. The Director and other members of staff will do their utmost to continue the IOPC Fund's established policy of reaching settlements within a short period of the incident. However, this is possible only if sufficient documentation in support of the claims is submitted without undue delay.

11.3 The Assembly will no doubt note with satisfaction the continuing growth of the membership of the IOPC Fund. As indicated above, it is expected that a number of States will join the IOPC Fund in the near future. Some of these States are situated in parts of the world where the IOPC Fund at present has no Members. The Director hopes that the States which will soon accede to the Fund Convention will give the Organisation a more universal character. An enlarged membership would enable the IOPC Fund to provide compensation to victims of oil pollution damage on a more world-wide basis.

11.4 The system of compensation created by the Civil Liability Convention and the Fund Convention represented an innovation in international law. When the first Assembly of the IOPC Fund met in November 1978, it was therefore impossible to foresee how this system would function. However, after the system has been in operation for ten years, the Director believes that it is fair to say that the system is a viable one. Under the regime of compensation administered by the IOPC Fund, it has been possible to compensate victims of oil pollution damage rapidly and at low cost.
