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REPORT OF THE DIRECTOR

1 Introduction

1.1 This Report contains a review of some of the main issues relating to the activities of the IOPC Fund since the 17th session of the Assembly. It also deals with the finances of the IOPC Fund for the first eight months of 1995.

1.2 The IOPC Fund's Annual Report for the calendar year 1994 was published in March 1995. This Report attracted great interest from all those dealing with the IOPC Fund as well as from persons and bodies interested in environmental matters in general.

1.3 Since the 17th session of the Assembly, there have been seven new incidents involving the IOPC Fund. Several incidents which occurred in previous years still require a considerable amount of work by the IOPC Fund Secretariat.

2 Membership of the IOPC Fund and external relations

2.1 IOPC Fund Member States

2.1.1 At the time of the entry into force of the Fund Convention in October 1978, 14 States were Parties to the Fund Convention and thus Members of the IOPC Fund. By the time of the 17th session of the Assembly in October 1994, there were 60 Member States.

2.1.2 Six States have acceded to the Fund Convention since the 17th session of the Assembly. The Fund Convention entered into force for Saint Kitts and Nevis on 13 December 1994, for Australia on 8 January 1995, for the Marshall Islands on 28 February 1995, for Belgium on 1 March 1995, for Malaysia on 6 April 1995 and for Mauritius on 5 July 1995. As a result of these developments, the IOPC Fund will have 66 Member States at the time of the 18th session of the Assembly.

2.1.3 A major reason for the smooth functioning of the system of compensation established by the Civil Liability Convention and the Fund Convention is the strong support that Governments of Member States have given the IOPC Fund and its Secretariat over the years. In order to establish and maintain personal contacts between the IOPC Fund Secretariat and officials within the national administrations dealing with Fund matters, the Director visits some Member States every year. Since the 17th session of the Assembly, the Director has visited seven Member States - France, Italy, Japan, Malaysia, Mauritius, Spain and the United Arab Emirates - for discussions with government officials on the Fund Convention and the operations of the IOPC Fund.

2.2 Relations with non-Member States

2.2.1 Several States are expected to join the IOPC Fund in the near future. Legislation implementing the Fund Convention is in an advanced stage in Bahrain, Chile, Colombia, Ecuador, the Islamic Republic of Iran, Israel, Mozambique, New Zealand, Peru, Saudi Arabia, Singapore and Switzerland. Many other States are also examining the question of accession to the Fund Convention.

2.2.2 The IOPC Fund Secretariat has continued its efforts to increase the number of Member States. In order to promote membership, the Director went to Bahrain and Uruguay for discussions on the Conventions and the operations of the IOPC Fund with government officials and interested circles. The Director took part in a meeting of the organisation for co-operation between the maritime authorities in South America, Mexico, Panama and Cuba (ROCRAM), held in Montevideo (Uruguay). He also gave a presentation at a regional Workshop on compensation for oil pollution damage held in Bahrain, organised jointly by the Marine Emergency Mutual Aid Centre (MEMAC) and the Regional Organisation for the Protection of the Marine Environment (ROPME). In addition, the Director took part in an IMO regional seminar on International Conventions on the Protection of the Marine Environment, held in Mauritius. The Director gave a lecture to the students of the World Maritime University in Malmö (Sweden) on liability and compensation for oil pollution damage. The Claims Officer gave a lecture on the same subject to students at the IMO International Maritime Law Institute in Malta. The Legal Officer made a presentation on 'The Braer - legal aspects of a major oil spill' at the 1995 International Oil Spill Conference held in the Long Beach, California (United States), sponsored by the United States Coast Guard, the American Petroleum Institute, the United States Environment Protection Agency, the International Maritime Organization (IMO) and the International Petroleum Industry Environmental Conservation Association.

2.2.3 The Director and other Officers have participated in seminars, conferences and workshops on liability and compensation for oil pollution damage and on the operation of the IOPC Fund.

2.2.4 The Director and other members of the IOPC Fund Secretariat also had discussions with government representatives of non-Member States in connection with meetings within IMO, in particular during the sessions of the IMO Council in October 1994 and June 1995.

2.2.5 The IOPC Fund 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.

2.3 Relationship with international organisations and interested circles

2.3.1 As in previous years, the IOPC Fund has benefited from close co-operation with many intergovernmental and international non-governmental organisations, as well as with bodies set up by private interests involved in the maritime transport of oil.

2.3.2 The IOPC Fund has particularly close links with the International Maritime Organization (IMO) and it has observer status with that Organisation. The Secretariat has represented the IOPC Fund at meetings of the IMO Council and of various IMO Committees. The support given by IMO to the IOPC Fund is of great importance in a number of ways. The Director would like to express his profound gratitude to the

Secretary-General of IMO and his staff for the assistance they have given the IOPC Fund during the last 12 months.

2.3.3 The IOPC Fund was represented by the Legal Officer in November 1994 at the first Assembly of the International Seabed Authority, held on the entry into force of the United Nations Convention on the Law of the Sea, 1982.

2.3.4 In the majority of incidents involving the IOPC Fund, clean-up operations are monitored and claims are assessed in close co-operation between the Fund and the P & I Club concerned. The technical assistance required by the IOPC Fund with regard to oil pollution incidents is usually provided by the International Tanker Owners Pollution Federation Limited (ITOPF). The IOPC Fund also co-operates closely with the oil industry, represented by the Oil Companies International Marine Forum (OCIMF) and Cristal Limited. The co-operation between the IOPC Fund and Cristal is very important, in view of the link which exists between the system of compensation governed by the international Conventions and the voluntary industry schemes (TOVALOP and CRISTAL).

3 Administration of the IOPC Fund

3.1 Secretariat

3.1.1 The Secretariat has at present twelve staff members: the Director, the Legal Officer, the Finance/Personnel Officer, the Claims Officer, the Administrative Officer, the Director's Secretary, four Secretaries, a Clerk/Messenger and a Telephonist/Secretary.

3.1.2 During the last twelve months the IOPC Fund Secretariat has faced a heavy workload, which has put considerable pressure on the staff. The strong commitment of all the staff members to their work, and their knowledge and expertise, are a great asset to the Organisation and these factors are crucial to the efficient functioning of the Secretariat.

3.1.3 In view of the small size of the IOPC Fund Secretariat, the Fund uses consultants to give legal or technical advice or to carry out studies. In two cases the IOPC Fund and the P & I insurer involved have jointly set up local claims offices to handle large numbers of claims more effectively. The *Aegean Sea* claims office, which was set up in La Coruña (Spain) shortly after the incident which occurred in December 1992, is still operating. The *Braer* claims office, which opened in Shetland (United Kingdom) in January 1993 and was relocated to Aberdeen in June 1994, was closed in July 1995. The staff at these offices have carried out their task in an excellent manner.

3.1.4 A number of incidents have necessitated the use of outside experts for technical advice in respect of claims. These experts have rendered invaluable assistance to the IOPC Fund Secretariat and the local claims offices.

3.2 Accounts of the IOPC Fund

3.2.1 The expenditure for the administration of the IOPC Fund in 1994 was £863 053, compared with the budgetary appropriation of £1 172 730. Details of the accounts of the IOPC Fund for the financial year 1994 are given in the Financial Statements (document FUND/A.18/5, Annex IV).

3.2.2 The expenditure for the administration during the first eight months of 1995 amounts to approximately £650 000. The budget appropriation for the whole of 1995 is £1 212 880. It is expected that there will be a budgetary surplus at the end of the year.

3.2.3 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.

3.3 Investment of funds

3.3.1 During 1994 and 1995, funds which were not required for the short-term operation of the IOPC Fund were placed on term deposits with several leading London banks, discount houses and building societies. Apart from deposits placed overnight for up to seven days fixed, the average rate of interest on the investments in 1994 was 5.5%.

3.3.2 The base rate in London, which stood at 5¼% at the time of the 17th session of the Assembly, was raised to 6¼% on 7 December 1994 and to 6¾% on 2 February 1995. As in previous years, the rates obtained by the IOPC Fund on its investments have been consistently higher than the base rate. It is estimated that the average rate of interest on the IOPC Fund's investments in 1995 will be approximately 7%.

3.3.3 Interest earned during the first eight months of 1995 amounted to £3.2 million, with another £3.1 million due during the remaining four months, on an estimated average capital of £89 million.

3.3.4 As at 15 September 1995, the IOPC Fund had liquid assets of some £90 million. The reason for the Fund's holding such a large amount is mainly that the settlement of claims arising out of the *Aegean Sea* and *Keumdong N°5* incidents has proceeded much more slowly than expected, and that it has not been possible to make any payments in respect of the *Haven* incident due to on-going legal proceedings.

3.3.5 Details of the investments from 1 July 1994 to 30 June 1995 are given in document FUND/A.18/3.

3.3.6 At its 17th session, in October 1994, the Assembly decided to set up an Investment Advisory Body, composed of external experts with special knowledge in investment matters, to advise the Director in general terms on such matters. The Assembly appointed three members to this Body for a term of one year. The report of the Investment Advisory Body is contained in document FUND/A.18/4.

3.3.7 As reported to the Executive Committee at its 42nd session, in April 1995, the IOPC Fund held a fixed-term deposit of £2 million with Baring Brothers & Co Ltd when substantially all entities in the Barings Group ceased trading on 26 February 1995 and were placed in administration after the Group had contracted massive debts, mainly as a result of dealing in derivatives on a large scale in its Singapore branch. On 6 March 1995, a Dutch Bank acquired Barings main operating business, taking over substantially all its assets and liabilities. The deposit of £2 million was duly repaid to the IOPC Fund at maturity on 21 June 1995, together with interest (cf document FUND/A.18/5, ANNEX IV, pages 22-23).

4 Contributions

4.1 The Assembly decided at its 17th session to levy 1994 annual contributions to the General Fund and three Major Claims Funds totalling £40 million as follows:

Fund	Date of Incident	Oil Receipts: Applicable Year	Total Levy £	Levy £ per Tonne
General Fund	-	1993	6 million	0.0055015
<i>Aegean Sea</i> Major Claims Fund	03.12.92	1991	15 million	0.0159144
<i>Keumdong N°5</i> Major Claims Fund	27.09.93	1992	10 million	0.0093375
<i>Toyotaka Maru</i> Major Claims Fund	17.10.94	1993	9 million	0.0081866

4.2 The 1994 annual contributions were payable by 1 February 1995. As at 15 September 1995 98.56%, 97.89%, 98.52% and 98.57%, respectively, of the contributions assessed to these funds had been paid.

4.3 In respect of contributions levied for previous years, the situation must be regarded as satisfactory. As of 15 September 1995, an amount of £996 250 was outstanding, out of which

contributors in the former Union of Soviet Socialist Republics owed £401 359, contributors in the former Socialist Federal Republic of Yugoslavia owed £149 730 and an Italian contributor in liquidation owed £159 321.

4.4 At its session in October 1994, the Assembly noted the concerns expressed by the Director and the External Auditor relating to the continued failure of some Member States to submit their reports on contributing oil receipts. The Assembly agreed with the Director that the non-submission of these reports constituted a considerable problem. The Assembly drew the attention of Member States to Resolution N°7, adopted in 1988, in which Member States were urged to take the necessary steps to ensure that the reports on contributing oil received in their territories were submitted on time and in the manner prescribed in the IOPC Fund's Internal Regulations.

4.5 The Director regrets to inform the Assembly that the non-submission of the reports on contributing oil receipts by some Member States still constitutes a considerable problem. On 31 March 1995, the date by which Member States should submit their reports of oil received in 1994 in accordance with the IOPC Fund's Internal Regulations, only 22 reports had been received by the Director. By 15 September 1995, 38 reports had been submitted. In addition, some States have still not submitted their reports on contributing oil receipts in previous years (see Annexes V and VI of document FUND/A.18/8). In his Report on the Financial Statements for 1994, the External Auditor again commented on the problem of the timely submission of reports on contributing oil (document FUND/A.18/5, Annex II, paragraph 22). It should be emphasised that it is of decisive importance for the operation of the IOPC Fund that these reports are actually submitted by governments. If the reports on contributing oil receipts are not submitted to the IOPC Fund, the Director is unable to issue invoices for the contributions in respect of the States concerned. The system of levying contributions will then not function in an equitable manner.

5 1992 Protocols to the Civil Liability Convention and the Fund Convention

5.1 The Protocols of 1992 amending the Civil Liability Convention and the Fund Convention will enter into force on 30 May 1996. As at 15 September 1995, eleven States had acceded to the 1992 Protocol to the Civil Liability Convention and ten to the 1992 Protocol to the Fund Convention. Details of these ratifications and the prospects for future ratifications are given in document FUND/A.18/12.

5.2 Under Article 36 of the 1971 Fund Convention as amended by the 1992 Protocol thereto (the 1992 Fund Convention), the Secretary-General of IMO shall convene the first session of the Assembly of the organisation established under that Convention (the "1992 Fund"). This session shall be held as soon as possible after the entry into force of the 1992 Protocol to the Fund Convention and, in any case, not more than 30 days after the entry into force. The Director has been informed that the Secretary-General of IMO has tentatively scheduled the 1st session of the 1992 Fund Assembly for the week commencing 24 June 1996.

5.3 At its 18th session, in October 1994, the Assembly instructed the Director to pursue his studies of the various issues relating to the entry into force of the 1992 Protocols. The Assembly will be invited to examine the results of these studies as set out in document FUND/A.18/13 and several related documents. It should be noted that any positions taken by the Assembly of the present Fund Organisation (the "1971 Fund") in respect of the structure or operation of the 1992 Fund would be only proposals. Any decisions on these issues will have to be taken by the Assembly of the 1992 Fund.

5.4 In view of the very close link which will exist between the 1971 Fund and the 1992 Fund, in particular during the period when the two Funds will operate concurrently, the 1971 Fund Assembly will be called upon to take certain decisions in the light of the decisions taken by the 1992 Fund Assembly at its 1st session. For this reason, the 1971 Fund Assembly will be invited to consider holding an extraordinary session during the same week as the 1st session of the 1992 Fund Assembly (cf document FUND/A.18/13, paragraphs 1.4 and 6.1).

5.5 The 1992 Protocol to the Fund Convention provides a mechanism for the compulsory denunciation by the IOPC Fund Member States of the 1969 Civil Liability Convention and the 1971 Fund Convention when the total quantity of contributing oil received in all States Parties to the 1992 Protocol to the Fund Convention exceeds 750 million tonnes. All States which have deposited instruments of ratification in respect of the 1992 Protocols will then be obliged to denounce the Conventions in their original versions. If, as expected, the requirements for compulsory denunciation will be fulfilled during the summer of 1996, the denunciations would take effect 18 months later, ie by approximately the end of 1997. At such time, the Parties to the 1992 Fund Convention would cease to be Parties to the 1971 Fund Convention. The Director, in consultation with the Secretary-General of IMO, has written to the Governments of States which are Parties to the 1971 Fund Convention but which have not yet ratified the 1992 Protocols, drawing their attention to the effect of the compulsory denunciations on the respective shares of contributions payable by contributors in the remaining Member States of the 1971 Fund (cf document FUND/A.18/12/1, paragraphs 6-8).

6 Incidents involving the IOPC Fund

Overview

6.1 Since its establishment in October 1978, the IOPC Fund has, up to 15 September 1995, been involved in the settlement of claims arising out of 68 incidents. The IOPC Fund has so far paid compensation or indemnification in respect of 58 incidents. The total amount of compensation and indemnification paid by the IOPC Fund to date is some £113 million.

6.2 For details regarding the various incidents with which the IOPC Fund has dealt over the years, reference is made to the 1994 Annual Report and to the updated Statistics (1995) distributed during this session of the Assembly.

6.3 The various documents submitted to the 44th session of the Executive Committee give details of incidents which have taken place since the 17th session of the Assembly, as well as of the settlement of claims arising out of earlier incidents.

6.4 It is the established policy of the IOPC Fund to settle claims within a short period of the incident in question, wherever possible. The IOPC Fund Secretariat will do its utmost to continue this policy. The Director will also endeavour to ensure that the definition of "pollution damage" is given a uniform interpretation in IOPC Fund Member States.

Incidents since the opening of the 17th session of the Assembly

6.5 During the 17th session of the Assembly, a major incident (the *Toyotaka Maru*) took place in Japan. Since then seven incidents have occurred which have given or will give rise to claims against the IOPC Fund, namely the *Hoyu Maru N°53*, *Shinryu Maru N°8* and *Senyo Maru* incidents which occurred in Japan and the *Sung Il*, *Dae Woong*, *Sea Prince* and *Yeo Myung* incidents which took place in the Republic of Korea.

6.6 The Japanese tanker *Toyotaka Maru* was involved in a collision on 17 October 1994 off the port of Kainan (Japan), resulting in the escape of some 560 tonnes of crude oil. There is widespread fishing and aquaculture in the area affected by the spill. The incident gave rise to significant claims for compensation for clean-up operations and loss of income suffered by fishermen. All claims were settled and paid by July 1995, ie within nine months of the incident, for a total amount of £5.7 million.

6.7 On 31 October 1994, as a result of the mishandling of a supply hose, heavy fuel oil supplied from the Japanese tanker *Hoyu Maru N°53* entered the cargo hold of a fishing boat in the port of Monbetsu (Japan). The cargo of frozen fish was contaminated and had to be destroyed. All claims have been settled for a total of £38 000.

6.8 The coastal tanker *Sung Il N°1* ran aground in the harbour of Onsan (Republic of Korea) on 8 November 1994, spilling some 18 tonnes of her cargo of heavy fuel oil. All claims for clean-up costs, as well as those in respect of fishery damage, have been settled and paid for a total amount of some £30 000.

6.9 The Korean tanker *Dae Woong* ran aground on 27 June 1995 off the port of Kojung (Republic of Korea) some 150 kilometres south west of Seoul. Claims for clean-up costs have been submitted, and fishery claims are expected.

6.10 On 23 July 1995, the Cypriot tanker *Sea Prince* grounded near Yosu (Republic of Korea) with approximately 86 000 tonnes of crude oil on board. Some 700 tonnes of bunkers and a similar quantity of cargo oil were spilled. The remaining cargo was transferred to other ships, with the exception of a quantity of some 630 tonnes. The spilt oil affected the coastline and necessitated clean-up operations. Intensive mariculture is carried out in the area and mariculture facilities were affected by the oil. This incident has given rise to claims for compensation in very significant amounts.

6.11 The Korean tanker *Yeo Myung* collided with a tug on 3 August 1995 off Koeje Island (Republic of Korea). The spilt oil, some 40 tonnes, affected a stretch of coast which had been cleaned following the *Sea Prince* incident. The oil also affected some mariculture facilities. There will be claims for compensation for considerable amounts.

6.12 While the Japanese-registered tanker *Shinryu Maru N°8* was supplying bunkers to a bulk carrier through another tanker in Chita (Japan) on 4 August 1995, oil escaped following the mishandling of a supply hose. As a result, oil contaminated the two vessels, and some oil escaped into the sea.

6.13 On 3 September 1995, the Japanese coastal tanker *Senyo Maru* collided with a bulk carrier off Ube, Yamaguchi Prefecture (Japan), resulting in a spill of some 80 tonnes of the cargo of heavy fuel oil. Intensive fishing is carried out in the affected area. Claims for clean-up costs and fishery damage are expected.

Previous incidents with outstanding claims

6.14 In addition to the new incidents, there are, as at 15 September 1995, outstanding third party claims in respect of six incidents, namely the *Haven*, *Aegean Sea*, *Braer*, *Keumdong N°5*, *Iliad* and *Seki* incidents.

6.15 The *Haven* incident which occurred in Italy in April 1991, caused serious oil pollution in Italy and also affected France and Monaco. Some 1 350 claims for compensation have been submitted to the Court of first instance in Genoa for a total amount corresponding to approximately £660 million; however, a number of claims are duplications. The judge in charge of the proceedings has held hearings concerning the claims, but his decision on the various claims is not expected until late 1995. The aggregate amount of the claims greatly exceeds the total amount of compensation available under the Civil Liability Convention and the Fund Convention, viz 900 million (gold) francs, which in the IOPC Fund's view corresponds to 60 million Special Drawing Rights or Lit 102 643 800 000 (£39.4 million). However, the Court in Genoa has fixed the maximum amount payable by the IOPC Fund at Lit 771 397 947 400 (£296 million), calculated on the basis of the free market value of gold. The IOPC Fund has appealed against the Court's judgement.

6.16 The situation in respect of the claims arising out of the *Haven* incident is described in some detail in document FUND/EXC.44/3. As set out in that document, the IOPC Fund has maintained in the legal proceedings in Italy that the majority of the claims arising out of the *Haven* incident became time-barred as regards the IOPC Fund on or shortly after 11 April 1994.

6.17 At its 43rd session, held on 9 June 1995, the Executive Committee decided to instruct the Director to continue the negotiations with the claimants in the *Haven* case and authorised him to agree,

on behalf of the IOPC Fund, to a global settlement within the framework of a total amount of Lit 137 643 800 000 (£52.9 million), on certain terms and conditions. The amount of Lit 137 643 800 000 would be made up as follows: the shipowner/his insurer would contribute the shipowner's limitation fund under the 1969 Civil Liability Convention (Lit 23 950 220 000 or £9.2 million) plus interest on this amount (Lit 10 000 million or £3.8 million) and an additional ex-gratia payment (Lit 25 000 million or £9.6 million)); the IOPC Fund would contribute an amount of Lit 78 693 580 000 or £30.2 million corresponding to the difference between the shipowner's limitation fund and the maximum Fund limit of 60 million SDR (Lit 102 643 800 000 or £39.4 million). The Executive Committee stated that the negotiations with the claimants should be without prejudice to the IOPC Fund's position in respect of the question of time-bar, pending a solution of all outstanding issues.

6.18 The negotiations for the purpose of arriving at a global settlement in the *Haven* case have not yet been concluded. Agreements on the admissible quantum of the claims have been reached with most claimants. However, such agreements have not yet been reached with the Italian Government and a few other claimants.

6.19 The *Aegean Sea* incident (Spain, 3 December 1992) has given rise to claims totalling some £128 million. These claims relate to the cost of clean-up operations, and to economic loss suffered by a large number of fishermen, by persons involved in various forms of aquaculture and by other persons affected by the incident in various ways. Most of the claims have not yet been settled, due mainly to the fact that many of the claimants have presented insufficient supporting documentation. As at 15 September 1995, a total amount of £7.3 million had been paid in respect of 793 claims.

6.20 The *Braer* incident (United Kingdom, 5 January 1993) has also resulted in a large number of claims, relating mainly to economic loss suffered by salmon farmers, fishermen, persons involved in packing and processing fish, farmers and crofters whose grassland was contaminated and persons whose houses were contaminated. As at 15 September 1995, claims had been settled and paid for a total amount of £47 million, but a number of claims for significant amounts are still pending.

6.21 The *Keumdong N°5* incident (Republic of Korea, 27 September 1993) has also given rise to a large number of claims which may total some £150 million. All claims relating to the clean-up operations have been settled and paid for a total amount of £4.5 million. The remaining claims, which relate to economic loss suffered by fishermen and persons involved in aquaculture, are still pending.

6.22 The Greek tanker *Iliad* grounded on 9 October 1993 close to Sfaktiria Island (Greece), laden with 80 000 tonnes of crude oil. It is estimated that 300 tonnes escaped as a result of the grounding. The oil affected some 20 kilometres of coastline. Fishing and tourism are important industries in the affected area, and claims for compensation totalling some £8.5 million have been lodged in the competent Greek court.

6.23 On 30 March 1994, the Panamanian-registered tanker *Seki* spilled approximately 16 000 tonnes of crude oil as a result of a collision nine miles off the coast of Fujairah (United Arab Emirates). The spilt oil affected some 30 kilometres of coast in the Emirates and Oman, necessitating onshore and offshore clean-up operations. The claims submitted so far total about £18 million. The P & I insurer has made payments for approximately £4 million.

7 Looking ahead

7.1 When the Fund Convention entered into force in October 1978, the IOPC Fund had 14 Member States. The number of Member States has grown to 66 as at 15 September 1995. It is anticipated that a number of States will ratify the Fund Convention in the near future. The IOPC Fund is thus becoming a truly worldwide Organisation. This continuing expansion of membership demonstrates that the international community has found the system of compensation created by the Civil Liability Convention and the Fund Convention a viable one, providing prompt compensation to victims of oil pollution damage.

7.2 As mentioned above, Protocols were adopted in 1992 to modify the 1969 Civil Liability Convention and the 1971 Fund Convention. These Protocols will enter into force on 30 May 1996, thereby ensuring the viability of the international system of compensation established by the Civil Liability Convention and the Fund Convention in the future. The preparations for the entry into force of the 1992 Protocols require a considerable amount of work by the Secretariat.

7.3 The smooth operation of the IOPC Fund has only been possible due to the strong support which the Organisation has enjoyed over the years from the Governments of Member States. The close co-operation with the P & I Clubs has greatly facilitated the activities. The IOPC Fund has also had the benefit of important support from the shipping and oil industries. It is crucial for the 1971 Fund and the 1992 Fund that they continue to enjoy this strong support from governments and public bodies as well as from the various private interests involved in oil spills.

7.4 After the entry into force of the 1992 Protocols, there will exist two organisations, the 1971 Fund and the 1992 Fund, with different memberships. It is envisaged that the 1971 Fund and the 1992 Fund will be administered by a joint Secretariat headed by one Director while the 1971 Fund and the 1992 Fund are operating concurrently, at least so long as the States with major receipts of contributing oil remain Parties to the 1971 Fund Convention. If this solution were adopted, the Director and other members of the Secretariat of the 1971 Fund would be acting on behalf of the 1992 Fund as well as on behalf of the 1971 Fund. It will be an essential task for the two Organisations and their joint Secretariat to develop further the international compensation system, so as to ensure that this system continues to meet the needs of society in respect of compensation for oil pollution damage.
