

INTERNATIONAL OIL POLLUTION COMPENSATION FUND

FONDS INTERNATIONAL D'INDEMNISATION POUR LES DOMMAGES
DUS A LA POLLUTION PAR LES HYDROCARBURES

ASSEMBLY -
1st extraordinary session
Agenda item 12

FUND/A/ES.1/10
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ADOPTION OF CONDITIONS FOR EXTENSION OF
CREDIT FACILITIES

Note by the Director

1. Regulation 12.2 of the Fund's Internal Regulations stipulates that the Director shall determine the provision of credit facilities "subject to conditions specified by the Assembly regarding, inter alia, the data and supporting justifications to be provided by a State requesting credit facilities". The Assembly, at its third session, decided that these specifications be considered at the Assembly's first extraordinary session.
2. Internal Regulation 12 sets out detailed conditions for the extension of credit facilities to States being in imminent danger of substantial pollution damage: the pollution damage threatening the State must be covered by the Fund Convention (paragraph 1); all particulars as to the incident, the damage and the preventive measures must be provided (paragraph 3); the form of the credit facilities is dealt with in paragraph 4; the limits are stipulated in paragraph 5; and for the reimbursement, provision is made in paragraphs 6 and 7. These conditions are more specific than those in Regulations 6 and 7 for (final) payment of compensation.
3. The possibility of providing credit facilities, according to Article 4.2 of the Fund Convention and Internal Regulation 12, is intended to enable States to take effective preventive measures against pollution damage. This objective implies that actions

will frequently have to be taken quickly. It appears, therefore, that a certain flexibility, within the limits laid down in Regulation 12, has to be maintained. Only with a certain amount of flexibility will it be possible to take into account the specific situation of a Contracting State and the peculiarities of a certain incident. The Director is, therefore, of the opinion that further specifications as to the provision of credit facilities, in addition to those mentioned in Regulation 12, are not necessary.

4. The Assembly is invited to take note of the information contained in paragraphs (1) to (3) above and to decide whether it considers further specifications necessary.
