



INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUND 1971

EXECUTIVE COMMITTEE
50th session
Agenda item 6

71FUND/EXC.50/16
16 September 1996

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ANY OTHER BUSINESS

Documentation concerning Claims for Compensation Pending

Note by the Director

1 Introduction

1.1 At the 49th session of the Executive Committee, one delegation requested that the Director should give the Committee detailed information in respect of each individual claim for which settlement had been reached, including the amounts, and that the Committee should be given the possibility of taking decisions on the admissible quantum of claims.

1.2 This document contains information on the practice applied in recent years for reporting to the Executive Committee on claims settlements.

2 Present practice

2.1 Over the years, the procedure for reporting on claims to the Executive Committee has changed in the light of experience, to take into account developments.

2.2 As regards claims for which final settlements have been made by the Director in accordance with the Internal Regulations or special authorisation given to him by the Executive Committee, the settlements have been reported at the Committee's next session or, in respect of settlements of lesser importance, at its October session. In some cases, information has been given in respect of individual claims, including the amount claimed and the amount settled. In other cases, claims have been reported in respect of the question of principle involved, or have been reported in groups of similar claims.

2.3 With respect to claims submitted to the Executive Committee for decision, the Committee has in recent years mainly been called upon to take decisions on matters of principle relating to the admissibility of claims. The Committee has only rarely taken a decision on the quantum of a claim. If the Committee has

decided that a claim, part of a claim or a certain type of claim is admissible in principle, the Director has been authorised to negotiate with the claimants and conclude a final settlement.

2.4 It will be recalled that the 7th Intersessional Working Group, established by the Assembly at its 16th session, had the mandate, *inter alia*, to study the procedures to be applied by the 1971 Fund in the assessment and settlement of claims. The claims handling procedures were examined by the Working Group on the basis of a document submitted by the Director (document FUND/WGR.7/14). The Working Group agreed in general with the procedures developed by the 1971 Fund over the years for the assessment and the settlement of claims, as set out in that document. The Group took the view that it was important that the Fund continued to take a flexible approach in respect of claims handling procedures, so that they could be adapted to the particular circumstances of the case (document FUND/A.17/23, paragraph 8.1.2). The report of the Working Group was endorsed by the Assembly at its 17th session (document FUND/A.17/35, paragraph 26.8).

2.5 It would theoretically be possible for the Director to present documents to the Executive Committee containing detailed information on each individual claim, including the amount claimed, a breakdown of the various items of the claim, the evidence that supported the claim and the settlement amount. If such information were to be given in respect of every claim, the volume of documentation to be presented to the Committee would be considerable. It would probably be necessary for the 1971 Fund to employ additional staff to prepare these documents. It is also likely that the Executive Committee would have to meet more frequently or hold sessions of longer duration than in the past.

2.6 The Director submits to the Executive Committee for consideration whether the Committee wishes to amend the procedures which have been applied in recent years for the consideration of claims and for reporting to the Committee on settlements.

3 Review of 1971 Fund decisions

It will be recalled that the Director presented to the 7th Intersessional Working Group a document which contained a review of the decisions taken by the 1971 Fund during the period 1979 - 1993 (document FUND/WGR.7/3). The Director intends to prepare a corresponding document in respect of the decisions taken by the 1971 Fund during the period 1994 - 1996. This document will be made available to the Executive Committee in due course.

4 Action to be taken by the Executive Committee

The Executive Committee is invited to:

- (a) take note of the information contained in this document; and
 - (b) give the Director such instructions as the Committee may deem appropriate concerning the presentation of documents to its sessions.
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