



INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUNDS 1971 AND 1992

ASSEMBLY
6th session
Agenda item 17

92FUND/A.6/15
24 September 2001
Original: ENGLISH

ASSEMBLY
24th session
Agenda item 16

71FUND/A.24/14

WORKING METHODS AND STRUCTURE OF THE SECRETARIAT

Note by the Director

Summary:

Information is given on staff changes and promotions within the Secretariat. The results of a review of the operations of the Secretariat are presented. Details are given of the steps taken to improve the efficiency of the Secretariat, to make optimum use of the Secretariat resources and to ensure the best possible service to Member States, victims of oil pollution damage, contributors and society at large. The Director sets out his intentions as to the further development of the operations of the Secretariat so as to use the full potential of staff members. He proposes to establish a network of persons in various regions and sub-regions who could serve as contact points in various Member States. He makes a proposal for a change in the structure of the Secretariat to the effect that the role of Head of the Claims Department and that of Technical Adviser should be split. In order to enable the IOPC Funds to strengthen their activities in the field of public information, the Director also proposes the creation of a new post in the General Service category.

Action to be taken:

- (a) to note the Director's intentions as regards measures to be taken to increase the efficiency of the Secretariat;
- (b) to consider the Director's proposal to establish a network of persons in various regions and sub-regions who could serve as contact points;
- (c) to consider the Director's proposal to separate the roles of Technical Adviser and Head of the Claims Department;
- (d) to consider the Director's proposals for promotions; and
- (e) to consider the Director's proposal to create a new post in the General Service category in the External Relations and Conference Department.

1 Introduction

As instructed by the governing bodies at their October 2000 sessions, the Director has continued his efforts to increase the efficiency of the Secretariat and has reassessed the Secretariat's structure and working methods. In this document the Director reports on developments and sets out his proposals for changes to the structure of the Secretariat and his intentions as to further developments in its working methods.

2 Structure established in 1998

- 2.1 At their sessions in April/May 1998, the 1992 and 1971 Fund Assemblies took a number of decisions relating to a new structure of the Secretariat, the introduction of new working methods and the strengthening of the Funds' activities in certain fields (documents 92FUND/A/ES.3/21, paragraph 8 and 71FUND/A/ES.4/16, paragraph 4). The decisions were based on a review carried out by two external consultant firms and proposals presented by the Director in the light of the consultants' report (documents 71FUND/A/ES.4/3, 71FUND/A/ES.4/3/1 and 92FUND/A/ES.3/7). The progressive implementation of the Assemblies' decisions commenced in the autumn of 1998.
- 2.2 In the summer of 1999 the Director instructed one of the consultants who had carried out the review referred to in paragraph 2.1 above to review the implementation of the Assemblies' decisions. The consultant's report and a note by the Director on the issues involved were considered by the governing bodies of the 1992 and 1971 Funds at their sessions in October 1999 (documents 92FUND/A.4/14, 92FUND/A.14/4/1, 71FUND/A.22/14 and 71FUND/A.22/14/1).
- 2.3 The governing bodies decided that a further evaluation of the working methods should be arranged once the Secretariat had settled into its new premises (documents 92FUND/A.4/32, paragraph 16.7 and 71FUND/EXC.62/14/A.22/23, paragraph 16.6).

3 Consideration by the Funds' governing bodies at their October 2000 sessions

- 3.1 The developments in respect of the working methods of the Secretariat were considered by the governing bodies at their October 2000 sessions on the basis of a note prepared by the Director (document 92FUND/A.5/14 and 71FUND/A.23/13).
- 3.2 Many delegations expressed their appreciation of the dedication and quality of work of the Director and the Secretariat and noted with satisfaction that the changes that the Director had introduced had brought about significant improvements in the IOPC Funds' main activity of dealing with claims. Several delegations stated that it was important for the IOPC Funds not only to operate effectively but also that this was seen to be so by the public, and in particular by claimants, and that transparency was of great importance. It was suggested that whilst the 1992 Fund clearly had responded to the need for change, the necessity of ongoing development was stressed and a number of quality assurance schemes were mentioned in this context. It was suggested that the 'value-for-money' audit carried out by the External Auditor could be of assistance in this regard. Other delegations cautioned that the Secretariat should not be burdened with too much in the way of reviews as this could be detrimental to its main work of handling claims. Some delegations expressed the view that it was premature to engage external consultants at this stage.
- 3.3 The governing bodies noted with satisfaction the developments that had taken place in respect of the IOPC Funds' use of information technology and of the translation of documents. It also noted the Secretariat's enhanced involvement in the operation and monitoring of local Claims Handling Offices and in the monitoring of the work of technical experts.
- 3.4 Two delegations questioned the Fund's sole reliance on ITOPF as its technical advisers and suggested that it might be appropriate to consider using – in addition to ITOPF - experts to be

chosen by the Fund from a panel of experts nominated by governments. In the view of these delegations such a panel could contribute to ensuring that the public perceived the response to oil spills as balanced.

- 3.5 The governing bodies decided that it was not necessary to carry out a further general external evaluation of the working methods at this stage.
- 3.6 The governing bodies instructed the Director to continue his efforts to implement progressively the new working methods so as to increase the effectiveness of the Secretariat by the optimum use of the staff resources. The Director was also instructed to assess continually the Secretariat's working methods and report the developments to the governing bodies at their next regular sessions (documents 92FUND/A.5/28, paragraph 17.8 and 71FUND/AC.2/A.23/22, paragraph 15.8).

4 Present structure of the Secretariat

- 4.1 As decided by the Assemblies, the Secretariat has budgetary appropriations for 27 staff members, 13 in the Professional and higher categories and 14 in the General Service category.
- 4.2 In connection with the approval of the 2000 budget, the governing bodies authorised the Director to engage a Spanish translator on a temporary basis on contract for a period of up to one year which would make it possible to assess whether the Funds should create a permanent post of Spanish translator. However, the Director has not used this authority since he considers that the volume of Spanish translation work does not yet make the employment of an in-house translator cost effective.
- 4.3 The Secretariat is structured in departments, namely the Claims Department, the Finance and Administration Department and the External Relations and Conference Department. The Director, the Legal Counsel and the three Heads of Department comprise a Management Team which manages the operation of the Organisations.
- 4.4 The main tasks of the Legal Counsel are to carry out legal studies of a general nature, to maintain contacts with lawyers engaged by the Funds, to represent the Funds at meetings in the International Maritime Organization (IMO) dealing with legal matters and to deal with specific incidents as instructed by the Director. He will also assist the Director with the legal aspects of the preparation of the entry into force of the HNS Convention.
- 4.5 The Head of the Claims Department has overall responsibility for ensuring that the claims handling process is efficient and that claims are dealt with in accordance with the policy laid down by the Assemblies and Executive Committees. He also has overall responsibility for recruiting managers of local claims offices and technical experts and for giving instructions to these persons, for monitoring the work of technical experts, for examining, assessing, negotiating and settling claims for compensation, and for advising the Director on technical and scientific issues.
- 4.6 The Head of the Finance and Administration Department has overall responsibility for financial matters, including the preparation of the administrative budget, the assessment of contributions, the preparation of financial statements, the investment of the Funds' assets, the monitoring of income and expenditure and the financial control of local claims offices. He is also responsible for personnel matters, for the management of the IOPC Funds' office premises and for the management and development of the information technology.
- 4.7 The Head of the External Relations and Conference Department is responsible for the smooth running of the meetings of the Funds' governing bodies and working groups, for the production of documents for these meetings, for the translation and printing services and for the production of the IOPC Funds' publications. She is also responsible for the provision of general information on

92FUND/A.6/15
71FUND/A.24/14

- 4 -

the Funds, for the Funds' website and for liaising with governments on Fund membership and contributions.

- 4.8 Under the new structure established by the Assemblies in 1998 the Director delegates considerable authority to the Heads of Departments and, as regards the handling of claims for compensation, to the Legal Counsel and the Claims Managers. This has enabled the Director to concentrate on matters of major strategic importance, policy issues, long term planning and high level contacts with governments.
- 4.9 The present staffing of the Secretariat is set out in the table below. An organisation chart showing the structure is at Annex I.

Posts	Staffing Approved by Assembly
Professional Staff Group	
Director	1
Legal Counsel	1
Head, Claims Department	1
Claims Managers	3
Head, Finance & Administration Department	1
Finance Officer	1
IT Officer	1
Personnel Administrator (part-time)	1
Head, External Relations & Conference Department	1
Senior French translator/reviser	1
Spanish translator (vacant)	1
<i>Sub-total</i>	<i>13</i>
General Service Staff Group	
<i>Director's Office</i>	
Personal Assistant to the Director	1
Secretary, Director's Office	1
<i>Claims Department</i>	
Claims Administrators	2
Secretary, Claims Department	1
<i>Finance & Administration Department:</i>	
Accounts Assistants	2
Office Administrator	1
Office Assistant	1
Receptionist	1
<i>External Relations & Conference Department:</i>	
Publications/Conference Administrator	1
Administrative Assistant, translations	1
External Relations Assistant	1
Secretary/Administrative Assistant	1
<i>Sub-total</i>	<i>14</i>
Total Staffing	27

5 Changes in staff and promotions since the October 2000 sessions

- 5.1 Mr Satoru Osanai, Legal Counsel, left the Secretariat at the end of May 2001 to take up a post with the Ministry of Land, Infrastructure and Transport in Japan. The Director appointed Mr Masamichi Hasebe to succeed Mr Osanai in this post.
- 5.2 Ms Sally Gregory, who held the post of Claims Officer/Claims Manager from November 1991, left the Secretariat at the end of November 2000. The Director appointed Mr Patrick Joseph as her replacement with effect from 9 April 2001.
- 5.3 The *Erika* incident has resulted in a very heavy workload on the Secretariat. In order to expedite claims settlements, the Director decided to fill a vacant post of Claims Manager and promoted an experienced Claims Administrator, Ms Laura Plumb, to this post from December 2000 on a part-time basis. During her maternity leave, an experienced consultant was engaged to carry out claims-related work.
- 5.4 Mrs Hilary Warson, who had been a member of the Secretariat since July 1979, most recently as Head of the External Relations and Conference Department, decided, after having been on maternity leave, not to return to work and left the Funds' Secretariat at the end of April 2001. During her maternity leave and thereafter up to the end of July 2001, Ms Catherine Grey was Acting Head of the Department. Ms Grey was appointed to the post in question with effect from 1 August 2001.
- 5.5 Mrs Pauline Binkhorst-van Romunde, who had been a staff member since December 1989, most recently as Finance Officer, left the Secretariat on 31 May 2001. The Director appointed Mrs Latha Srinivasan, previously Accounts Assistant, to replace Mrs Binkhorst van Romunde as Finance Officer.
- 5.6 As mentioned in paragraph 8.3.10 below, the Director considers it necessary to strengthen the personnel management. As a first step towards this end, the Director decided to upgrade the post of Assistant in Personnel Matters (part-time) in the General Service category in the Finance and Administration Department, held by Mrs Rachel Dockerill, to the professional category as Personnel Administrator (part-time).
- 5.7 At its October 1998 session, the 1992 Fund authorised the Director to determine the grades of individual posts in the general service category and in the professional category up to grade P5 and to decide on promotions for these categories, provided that the increased costs resulting therefrom could be covered within the total budget appropriation for Personnel adopted by the Assembly. It was decided that decisions relating to grades above the P5 level (ie grades D1 and D2) would be taken by the Assembly, on the proposal of the Director (document 92FUND/A.3/27, paragraph 23.6; cf 71FUND/EXC.54/17/A.21/24, paragraph 22.31).
- 5.8 Promotions to higher grades within the Professional and General Service categories have been made in respect of some staff due to their having taken on increased responsibilities.
- 5.9 The following resignations and recruitments have taken place in the General Services category:

Resignations

Kim Wise	Personal Assistant to the Director
Lisa Cogan	Accounts Assistant
Melanie Fallows	External Relations Assistant

Recruitments

Jill Martinez	Personal Assistant to the Director
Stephen Taiwo	Accounts Assistant
Elisabeth Galobardes	Accounts Assistant
Delphine Millot	Receptionist

6 Experience gained in other bodies

- 6.1 The Director has considered it important to benefit from experience gained in other bodies. To this end the Director, the Head of the Claims Department and the Head of the Finance and Administration Department have between them visited the then United Kingdom Department of Environment, Transport and the Regions, the United States National Pollution Funds Center in Washington D.C., the Canadian Ship-source Oil Pollution Fund in Ottawa, the Danish Maritime Authority, the Swedish P & I Club (which is the smallest Club in the International Group of P & I Clubs) and the International Coffee Organization in London (which has a secretariat of comparable size to the IOPC Funds).
- 6.2 During the visits information was obtained on claims handling procedures, staff development and quality control. With respect to the latter, quality management standards such as "Investors in People", ISO 9002 and Business Excellence as applied by some of the bodies were studied, and note was taken of the experience gained through the introduction of these quality standards. It was noted that some of the bodies visited had developed a Management System Manual in some form setting out a mission statement, policies, goals and organisation-wide objectives and documenting the main processes and procedures.

7 Consultant review

- 7.1 During the summer of 2001, one of the consultants^{<1>} who had carried out the original review of the Secretariat's working methods was re-engaged to review the developments. This review concentrated on the internal working of the Secretariat in order to establish what steps should be taken to increase efficiency, make the optimum use of available resources and ensure that staff find job satisfaction. To this effect he carried out individual interviews with each staff member on their views of the working methods and the need for further improvements. During these interviews a number of valuable proposals were made, and the Director is considering these proposals.
- 7.2 The consultant has expressed the view that the Secretariat has much to be proud of. He considers that the new organisational structure is seen to have been a significant improvement. The working environment is in his view outstanding and this is complemented by a management style which is informal and relaxed. He mentions that staff are proud to work for the IOPC Funds. He also indicated that they have a number of suggestions for further improvements. He suggests that although the informal management style has many benefits, it can also have a number of drawbacks which should be addressed in order to ensure the efficiency of the Secretariat in the future.
- 7.3 As a result of this review, the consultant's main recommendations are as follows:
- 1 The Management Team should provide a clear sense of vision and purpose of the IOPC Funds by setting up overall objectives and goals for the Organisations.
 - 2 The effectiveness of the organisations could be improved by better planning and structuring of certain work activities. As the workload of the Organisations increases, there is a need for improved guidelines for document production and work organisation.

- 3 There is a desire by staff to receive feedback about personal, departmental and organisation performance. The structural changes within the Secretariat have resulted in the need for a systematic process whereby departmental and individual goals are agreed, where possible, followed by regular reviews of performance and feedback. Through this process, improved staff morale and higher quality of work could be achieved.
- 4 There is a need to develop personnel policies and procedures, eg performance review and staff development.

8 Developments in various fields, the Director's intentions for further developments and proposals for structural changes and promotions

8.1 General

- 8.1.1 As mentioned in paragraph 2.2, the main decisions on the structure and working methods of the Secretariat were taken by the Assemblies in April/May 1998. The Director considers that it is important to review continuously the working methods and structure, in the light of experience, so as to make optimum use of the Secretariat resources and to ensure the best possible service to Member States, victims of oil pollution, contributors and society at large. It is also important to ensure that the potential of staff members is used and that staff find job satisfaction.
- 8.1.2 The continuous review of the working methods has become increasingly important as a result of the growth of the IOPC Funds in terms of the number of Member States and due to the increased complexity of the issues dealt with by the Funds and the high amounts involved. There is also a need for increased transparency in respect of the operations. It should also be noted that although the Secretariat is still relatively small (26 staff members), the IOPC Funds engage a considerable number of people to work for the Funds in various countries. In fact during 2000 and 2001 over 50 persons (including the staff in the Locals Claims Offices in Japan and France) worked full time for the IOPC Funds, and over 25 experts and lawyers carried out various tasks on a part-time basis.
- 8.1.3 The experience gained in recent years, in particular as a result of several major incidents, has shown that, in the Director's view, measures should be taken to improve further the functioning of the Secretariat. Although major developments have taken place in this regard during the previous years, more should be done. This relates to claims handling, financial matters, staff policy and development, information technology, public information and organisation of meetings. The consultant's findings will constitute an important basis for this development work, as will the staff's proposals and ideas.

8.2 Claims handling and related issues

Claims handling

- 8.2.1 The Secretariat has continued to strengthen its monitoring of the claims handling process. The Director, the Legal Counsel and the Head of the Claims Department visited the *Nakhodka* Claims Office in Kobe several times. The claims handling process in the *Erika* case has been monitored through repeated visits to the Claims Handling Office in Lorient by the Head of the Claims Department, the Claims Manager responsible for the incident and the Head of the Finance and Administration Department. A number of meetings have been held in London, Brest, Lorient and Paris between Fund officers and the experts examining various categories of claims. The IT Officer has been active in the development of the use of IT in the claims handling process and he has made a number of visits to the Claims Handling Office in Lorient and to the office in Paris where tourism claims are being examined.
- 8.2.2 As mentioned in paragraph 8.3.6, a database has been developed to support the claims handling process. In order to speed up the examination of claims in the tourism sector arising from the

Erika incident, a computer programme has been developed by the 1992 Fund, with support from the firm of tourism experts engaged in France, to make it possible to compare data relating to new claims with data relating to claims previously assessed. If the data provided in respect of the claim under assessment are consistent with those in respect of previously-assessed similar claims in the same sector and geographical location, the time spent on the assessment process can be substantially reduced. It is believed that this programme could be developed further in the light of experience and could be used in other cases where there are a large number of claims of a similar nature.

- 8.2.3 It is important in the Director's view that the claims handling process is constantly reviewed. The visits to the United States National Oil Pollution Funds Center and the Swedish Club referred to above have given valuable ideas in this regard. Experience gained from major incidents in recent years is always being analysed for this purpose.

IOPC Funds' experts

- 8.2.4 An important element of the claims procedure is the choice and training of experts. In the *Erika* case, there were no claims assessors available in France having experience in the examination of tourism claims, and the 1992 Fund had therefore to arrange for the necessary training of over 30 persons, with the assistance of experts who had handled tourism claims relating to the *Braer*, *Sea Empress* and *Nakhodka* incidents. The Director believes that the training of experts could be expanded. However, it would obviously not be possible to have trained experts available in all Member States, and experts would therefore have to be recruited and trained on an international level.
- 8.2.5 As mentioned in paragraph 3.4 above, at the governing bodies October 2000 session two delegations questioned the Funds' sole reliance on staff of the International Tanker Owners Pollution Federation Ltd (ITOPF) as their technical advisers and suggested that it might be appropriate to consider using – in addition to ITOPF - experts to be chosen by the Funds from a panel of experts nominated by governments. In the view of these delegations, such a panel could contribute to ensuring that the public perceived the response to oil spills as balanced.
- 8.2.6 In the light of these observations the Director would like to draw attention to the fact that the IOPC Funds have over the years regularly used a wide range of experts from a number of countries. Spills have been monitored and claims have been assessed in the field of clean-up, fishing, mariculture and tourism by experts from Algeria, Canada, Denmark, Finland, France, Germany, Italy, Japan, the Republic of Korea, Singapore, Spain, Sweden, United Arab Emirates, United Kingdom and Venezuela. The Director intends to continue to engage experts on a wide geographical basis, provided that they have the necessary qualifications. However, the governing bodies have repeatedly emphasised the need for uniform treatment of claims between Member States. In this regard ITOPF plays an important role since it has great experience in monitoring oil spills and assessing claims for compensation worldwide.

Establishing contact points

- 8.2.7 The Director would like to revert to a proposal made in 1998 by the consultants referred to in paragraph 2.1, namely the need for the Funds to establish contact points in various Member States. The Director considers that the IOPC Funds should not follow the example of the P & I Clubs in establishing a network of correspondents in all Member States. However, he believes that it would be useful to create a network of persons in various regions and sub-regions who would serve as contact points. These persons could be chosen from surveyors or experts who have already carried out work for the IOPC Funds in relation to specific incidents or could be persons generally suitable to act for the Funds because of their experience in relevant fields. It would, in the Director's view, be necessary to give these contact persons some training so as to give them a general understanding of the Funds' work, objectives and policy, and they should also be continuously kept up-to-date on the developments within the international compensation

regime. Training could be arranged in the form of regional and sub-regional workshops, which could be organised when IOPC Funds' staff visit the area for other purposes, or in London when the persons concerned visit London on business for non-Fund purposes. These persons would be available to assist the Funds in the handling of incidents in their respective regions and could assist the Funds in setting up local claims offices, if required. If they have the necessary qualifications and experience, they could also be used – in addition to ITOPF – as technical experts.

- 8.2.8 It is not intended that the persons in question should receive any fee for their role as contact points, but they would obviously be paid for work actually carried out for the Funds, for example in connection with incidents. Some costs would however be incurred for training these persons, for example by the organisation of workshops and the distribution of information material. The establishment of a network of contact persons would have only relatively modest budgetary implications. As set out in paragraph 3.1.46 of documents 92FUND/A.6/23 and 71FUND/A.24/20, the Director proposes that, should the Assemblies approve the proposal to establish a network of contact persons, the resulting costs would for 2002 be covered by the appropriation for consultants' fees.

Alternative dispute settlement procedures

- 8.2.9 As has been the policy in the past, the IOPC Funds make strenuous efforts to avoid court proceedings and endeavour to settle claims out of court to the extent possible, having regard to the criteria for admissibility of claims laid down by the governing bodies. However, the Funds have unfortunately recently been involved in lengthy and difficult court proceedings in several incidents. The Director agrees with the view expressed by the 3rd Intersessional Working Group that further consideration should be given to the possibilities of using alternative dispute settlement procedures. The Working Group recognised that the Funds would encounter difficulties of a practical and legal nature in using such procedures, that, as previously stated by the Assembly, there was only very limited scope for arbitration and that the efforts should be focussed on mediation and similar less formal methods. The Director intends to study this issue further.

Separation of the roles of Technical Adviser and Head of the Claims Department

- 8.2.10 When the Assemblies considered the new structure of the Secretariat in April/May 1998, a number of delegations stressed the importance that the Secretariat should be strengthened with a staff member with a scientific background. It was suggested that this person should have practical experience in the field of marine pollution. A number of delegations suggested that the staff member with these qualifications would make a valuable contribution in the selection, instruction and monitoring of technical experts, in the evaluation of their work and in the assessment of their performance. It was also stated that such a person would be able to give valuable advice on technical and scientific issues relating to the HNS Convention.
- 8.2.11 During the discussions in the Assemblies it was generally considered that the Head of the Claims Department should have responsibility for ensuring that the claims handling process was efficient and that claims were dealt with in accordance with the policy laid down by the Assemblies and the Executive Committees. It was emphasised that the person appointed to this post should have sufficient experience in claims handling to enable the Director to delegate authority in respect of the settlement of claims to a greater extent than had been done so far. It was mentioned that it was essential that the Head of this Department had a detailed knowledge of the compensation scheme established by the Conventions.
- 8.2.12 A number of delegations stated that they agreed with the Director that the roles of the Head of the Claims Department and scientific adviser should be combined into one post, if a person could be recruited with the necessary qualifications. If the incumbent were to cover both roles, the priority would always be to cover claims work. It was emphasised, however, that if this should prove not

to be possible, it might be necessary to separate the two roles. It was noted that the Director would refer the matter to the Assembly for renewed consideration, should that situation arise. It was also suggested that in any case it might be necessary in the future to separate these roles (documents 92FUND/A/ES.3/21, paragraph 8.14 and 71FUND/A/ES.4/16, paragraph 4.14).

- 8.2.13 The Director considers that it has been of great benefit to the Funds to have in the Secretariat, in the person of the present Head of the Claims Department, a staff member with a scientific background and high-level practical experience of oil spills. His knowledge and experience have made it possible for the Funds to strengthen its monitoring of technical experts, to take an independent view on the reports made by such experts, to give better support to claims handlers and experts in technical and scientific matters and to give general advice to the governing bodies and the Director on such matters.
- 8.2.14 The Director believes, however, that much more could be done in the technical and scientific field. The Director considers it important to monitor closely the work of experts used by the IOPC Funds for the examination of claims, to ensure that their work is of high quality and that the experts give value for money. It should be noted that many of the IOPC Funds' experts are among the most experienced in the world in their respective fields. Training of such experts as well as of the contact persons referred to in paragraph 8.2.7 above is very important. In the Director's view, it is also important to strengthen quality control in general in respect of all aspects of claims handling. It is also necessary to consider on a continuing basis whether the claims handling procedures could be improved. Should the Assemblies approve the proposals of the 1992 Fund's Third Intersessional Working Group to modify the Funds' position in respect of claims for the cost of reinstatement of the environment and of claims for costs of environmental impact studies, important technical and scientific issues would arise. The preparations for the entry into force of the HNS Convention will raise technical and scientific issues which will have to be resolved. The legal aspects relating to the HNS Convention would be handled by the Director and the Legal Counsel.
- 8.2.15 The experience gained since September 1998 when the present Head of the Claims Department took up his post has shown that it is not possible however for the holder of that post to devote sufficient time to technical and scientific issues of a general nature, nor to the specific issues referred to in paragraph 8.2.14. As stated during the discussion at the Assemblies' April/May 1998 sessions, priority will always have to be given to cover claims work. In the light of this experience and in order to strengthen the control and monitoring of the Funds' experts and quality control in general, the Director takes the view that the time has now come to separate the two roles, those of Head of the Claims Department and of Technical Adviser, with effect from 1 January 2002. The Technical Adviser would be a member of the Management Team
- 8.2.16 If the Director's proposal to separate the roles of Technical Adviser and Head of the Claims Department were to be approved by the Assemblies, the Director intends to appoint the present Head of the Claims Department, Mr Joseph Nichols, to the post of Technical Adviser. During 20 years of work within ITOPF, with eleven years as Technical Manager, Mr Nichols, who has a background as a chemist, gained a unique experience in the technical aspects of oil spills. The holder of the proposed post of Technical Adviser would assume very important responsibilities, dealing with complicated technical and scientific issues, supervising high-level experts and carrying out the role of quality controller. In the light of these responsibilities and in view of his qualifications and experience, it is proposed that Mr Nichols should be promoted from Grade D1 to Grade D2.
- 8.2.17 On this assumption, the Director further intends to appoint the senior Claims Manager, Mr José Maura, to the post of Head of the Claims Department at Grade D1. Mr Maura, who joined the Secretariat in February 1996, previously worked for a P & I Club and as a practising lawyer in Spain. He has been responsible for handling claims arising from the *Aegean Sea*, *Sea Empress*, *Nissos Amorgos* and *Erika* incidents.

- 8.2.18 The role of the Head of the Claims Department would remain largely unchanged, except that the issues of a technical or scientific character at present under his responsibility would fall under the responsibility of the Technical Adviser who would be responsible for the various issues set out in paragraph 8.2.14.
- 8.2.19 The technical knowledge and experience of the Technical Adviser should also in future be used in the claims handling procedure, especially with respect to claims having technical or scientific elements.
- 8.2.20 It would obviously be crucial for the functioning of the proposed new structure that there would be close co-operation between the Technical Adviser and the Head of the Claims Department. The Director is convinced that the intended appointments referred to in paragraphs 8.2.16 and 8.2.17 would ensure such close co-operation.
- 8.2.21 The Legal Counsel, whose important role would in general be unchanged, should be involved in claims handling, as should the Director.
- 8.2.22 Under Financial Regulation 7.13, the Director may authorise the Head of the Claims Department to make final or partial settlement of claims and to make provisional payments not exceeding £500 000 for a particular claim. The Director proposes that, if his proposal to split the roles of Head of the Claims Department and Technical Adviser were to be approved by the Assemblies, the Director should be authorised to delegate claims settlements and payments also to the Technical Adviser up to that amount. A proposal for an amendment to Internal Regulation 7.13 to this effect is at Annex II.
- 8.2.23 At their sessions in April/May 1998, the Assemblies recognised that in view of the scale of operation of the 1971 Fund and the 1992 Fund, it was necessary that the Director should be able to authorise a senior staff member to act on his behalf whenever he was on mission or otherwise unable to act. The Assemblies agreed that there was a need for the general delegation of authority to either the Legal Counsel or the Head of the Claims Department, depending on the circumstances. The Assemblies adopted at their October 1998 sessions a provision to this effect (Internal Regulation 11*bis*). The Director proposes that Internal Regulation 11*bis* be amended so as to allow for general delegation also to the Technical Adviser should the creation of this post be approved. A proposal for an amendment to that Regulation is at Annex II.
- 8.2.24 Should the Director's proposal be approved by the Assemblies, consequential amendments would have to be made to Financial Regulation 9.2 which governs the delegation of authority to act as signatories on behalf of the Funds in giving payment instructions. A proposal for such amendments is at Annex III.

Titles of certain posts

- 8.2.25 In view of the increased activities of the IOPC Funds and the need for the Director to delegate to other staff members to represent the IOPC Funds at high levels, it is proposed that the holders of the posts of Legal Counsel and of Technical Adviser should be given the titles "Assistant Director/Legal Counsel" and "Assistant Director/Technical Adviser" respectively.

8.3 Financial, administrative and personnel matters

Financial control

- 8.3.1 The work on strengthening financial control has continued, taking into account recommendations made by the External Auditor. The Investment Advisory Bodies have also made valuable proposals in this regard.

- 8.3.2 The Head of Finance and Administration now prepares quarterly accounts which has resulted in an improvement in financial control. Payments are being made using electronic methods and such methods will be used increasingly in the future.
- 8.3.3 The Assemblies will be invited to consider whether the IOPC Funds should establish an audit body to advise the Director and the Assemblies in relation to internal control, risk management and audit-related matters (documents 92FUND/A.6/10 and 71FUND/A.24/14).

Information technology

- 8.3.4 The IOPC Funds' data network has been redesigned in order to enable the Secretariat to maximise the use of information technology. Staff members are able to access the London office computer systems when on mission away from the office.
- 8.3.5 System security has been improved to reduce the risk of computer virus infection and unauthorised use. Procedures for data management and audit have been implemented to ensure accuracy of data. Critical computer systems are duplicated so as to ensure that if one fails, the other will continue to work without disruption to work or loss of any data.
- 8.3.6 A multilingual database has been developed to support the claims handling process. The database makes it possible to track individual claims during the entire handling process. A programme for statistical analysis of claims has been developed. All data from previous incidents is being transferred to the new database, so as to allow analysis of data from all incidents.
- 8.3.7 The database used for the Secretariat's financial activities has been redesigned to meet the Secretariat's requirements. The claims database referred to in paragraph 8.3.6 has been integrated with the financial database.
- 8.3.8 A management information system is being developed to improve the Secretariat's financial and administrative functions.
- 8.3.9 An internal Secretariat intranet site is being developed. This site will contribute to an improvement of the dissemination of information within the Secretariat.

Personnel and management matters

- 8.3.10 With the growth of the size of the Secretariat, it has become necessary to strengthen personnel management.
- 8.3.11 In October 2000, the Director issued job descriptions for all staff members, reflecting the structure of the Secretariat and defining the tasks and responsibilities of each staff member. In order to reflect the role of each staff member, new job titles were introduced. The job descriptions will be reviewed as required.
- 8.3.12 As requested by staff, preparations are being made to introduce a formal staff appraisal system. The appraisals will be made against the objectives of the department in question which will form part of the overall objectives of the Organisation.
- 8.3.13 As in previous years, the Director will, with the assistance of the Management Team, review annually the grading of posts in the professional category below Grade P5 and in the General Service category.
- 8.3.14 The Director intends to ensure that over the coming year the Management Team will address the issues raised by the consultant in paragraph 7.3 and the suggestions by staff. This will require *inter alia* management training to be given to the members of the Management Team and steps will be taken to this effect.

- 8.3.15 Steps are also being taken to improve the flow of information within the Secretariat so as to enable all staff members to be aware of all the activities of the Organisations.
- 8.3.16 Staff training is continuously carried out and will be further developed during 2002.
- 8.3.17 As a result of the visits referred to in paragraph 6.1 above, the Director has decided to establish a set of objectives and sub-objectives for the Secretariat and the various departments.
- 8.3.18 Consideration will be given to the preparation of a Management Manual setting out the objectives and policies of the Organisations, the sub-objectives for the various departments and the procedures to be followed in various fields of activities (e.g. claims handling, finance, personnel, document production, translations and public relations).

Promotion of the Head of the Finance and Administration Department

- 8.3.19 The Head of the Finance and Administration Department is responsible for the administration of significant assets and, as a result of the growth of the Organisations, his responsibilities have increased considerably. He is responsible for an investment portfolio which in recent years has increased to some £200 million, for purchases of currencies and for the payment of compensation for significant amounts. He is responsible for the financial control of local claims offices. In addition he is responsible for personnel matters and for staff training, issues which have become increasingly important. The incumbent is also responsible for the administration and running of the IOPC Funds' premises, a more demanding task since the Secretariat moved from the IMO Building, and for the general administration of the Secretariat. In the light of these increased and important responsibilities, the Director proposes that the present holder of this post, Mr Ranjit Pillai, should be promoted from Grade P5 to Grade D1 with effect from 1 January 2002.

8.4 Public information, document production and translation services

Website

- 8.4.1 The IOPC Funds website was created in October 1999. Its appearance was modified in January 2001. The information provided in the website is updated regularly and currently includes news items, information on the *Erika* incident, general information on the international compensation regime, answers to frequently asked questions, statistical data and printable publications. In view of the importance of the website, considerable effort is being devoted to its re-structuring and expansion in order to provide a wider range of information. The intention is to add further information documents to the website. The website is at present only available in English, but French and Spanish versions will be made available shortly.

Publications

- 8.4.2 The 2000 Annual Report was produced in March 2001 (English version) and June 2001 (French and Spanish versions). In previous years, the layout of the Annual Report had been done in-house. The text of the 2000 Report was sent to a specialist company which modernised the layout and oversaw the production and printing process. This had substantial benefits: the company was able to organise the printing process so that a number of elements were common to all three language versions, resulting in cost savings of some 40% compared with the previous year, and the Report could be made available on the website immediately, avoiding additional work which had been necessary in previous years.
- 8.4.3 A new version of the publication Texts of the Conventions, consisting of the texts of the 1992 Conventions and the Resolutions adopted by the IMO Legal Committee in October 2000 on the increase of the compensation limits, was published in English in June 2001 and is also available on the website. A French version of this publication is being prepared. It is intended to publish a

Spanish version for the first time, but problems have arisen as a result of there being no authentic Spanish texts of the 1992 Conventions. Discussions are being held with the Legal Office of the International Maritime Organization in order to resolve these problems.

8.4.4 A brochure describing the international compensation regime in a reader-friendly form will be developed in English, French and Spanish, based on the brochure produced in French for the *Erika* incident.

8.4.5 A News Brief is currently produced after each session of the governing bodies summarising the most significant issues dealt with at the session and is distributed to government representatives, contributors and media contacts. Consideration is being given to the production of a regular newsletter, which could include information on a wider range of topics.

Press contacts

8.4.6 In January and June 2001 the 1992 Fund issued press releases relating to the Executive Committee's decisions to increase the level of payments of claims arising from the *Erika* incident.

8.4.7 In connection with the *Erika* incident, the Director has given numerous interviews on television and radio and to various journalists. He has prepared articles for publication in French newspapers. Press releases have been issued where appropriate. Circular letters have been sent to key categories of people. In these activities the 1992 Fund has been assisted by a French agency specialising in these matters.

Information related to specific incidents

8.4.8 Further development of the Funds' information activities relating to specific incidents is being considered. When this issue has been discussed in the governing bodies, the view has been expressed that improved information to victims could reduce the number of claims which are presented in court. The experience of the *Erika* incident in particular has shown that targeted information in the State where a major incident has occurred is of great importance. It is the Director's intention to pursue this issue, although it must be recognised that each incident has its specific characteristics and that the information must be presented in a way which is in line with the cultural and media traditions in the country concerned.

Documentation production

8.4.9 The increased number of meetings of the governing bodies and the large number of documents presented to the Third Intersessional Working Group has resulted in a very heavy workload in respect of the production of documents. Consideration will be given as to whether it would be possible to plan and organise the production of documents in a more efficient manner.

Documents server

8.4.10 In January 2001 a system was set up which allows delegations to access documents for meetings of the IOPC Funds' bodies via the Internet by using a password. This system is used regularly by a significant number of delegations. Work is being carried out to expand the system to provide access to Circulars, the Record of Decisions of all previous sessions of the governing bodies and to the reports of Intersessional Working Group. The documents server provides access to documents in French and Spanish. The user interface is at present available only in English but it will be made available also in French and Spanish.

Translation services

8.4.11 The increased volume of documents referred to paragraph 8.4.9 has resulted in a heavy workload on the translation services. Further work will be required in order to make the website available

in French and Spanish. Consideration will therefore be given as to whether ways could be found to facilitate the translation of documents.

New post in General Service category

8.4.12 The governing bodies have repeatedly emphasised the importance of the IOPC Funds strengthening their activities in the field of public information. Although considerable progress has been made in this field, the workload resulting from other tasks within the External Relations and Conference Department, in particular the production of documents for the governing bodies and the third Intersessional Working Group, has not made it possible to devote sufficient time to the public information role. For this reason, the Director proposes the creation of a new post in the General Service category in that Department with effect from 1 January 2002, in order to enable that Department to enhance the development of the public information activities.

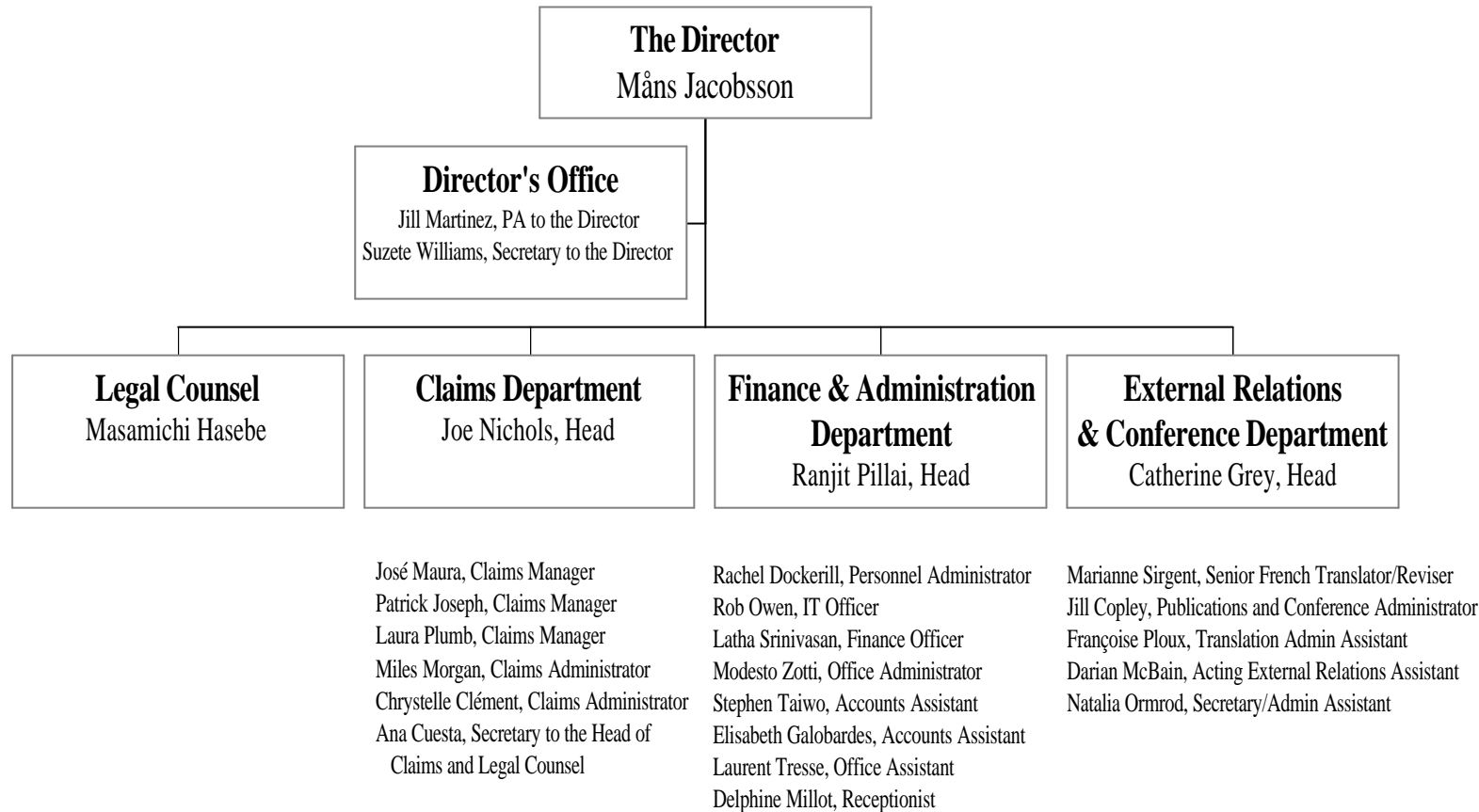
9 Action to be taken by the Assemblies

The Assemblies are invited:

- (a) to take note of the information contained in this document;
- (b) to take note of the Director's intentions as regards the steps to be taken to increase the efficiency and the work of the Secretariat and, in particular, in the claims handling procedure (Section 8);
- (c) to consider the Director's proposal to establish a network of persons in various regions and sub-regions serving as contact points (paragraphs 8.2.7 and 8.2.8);
- (d) to consider the Director's proposal to separate the roles of Technical Adviser and Head of the Claims Department (paragraph 8.2.15);
- (e) if the Assemblies were to approve the separation of the roles of Technical Adviser and Head of the Claims Department, to consider the grade of the holder of the post of Technical Adviser (paragraphs 8.2.16);
- (f) to consider the Director's proposal to amend Internal Regulations 7.13 and 11*bis* (paragraphs 8.2.22 and 8.2.23 and Annex II);
- (g) to consider the Director's proposal to amend Financial Regulation 9.2 (paragraph 8.2.24 and Annex III);
- (h) to consider the Director's proposal to introduce the titles "Assistant Director/Legal Counsel" and "Assistant Director/Technical Adviser" (paragraph 8.2.25);
- (i) to consider the Director's proposal for promotion of the Head of the Finance and Administration Department (paragraph 8.3.19);
- (j) to consider the Director's proposal to create an additional post in the General Service category in the External Relations and Conference Department (paragraph 8.4.12); and
- (k) to give the Director such instructions in respect of the issues dealt with in this document as they deem appropriate.

ANNEX I

STRUCTURE OF THE IOPC FUNDS SECRETARIAT



ANNEX II

Amendments to the Internal Regulations

(Proposed amendments underlined)

Internal Regulation 7.13

The Director may authorise another officer or other officers to make final or partial settlement of claims or to make provisional payments. Such authority shall:

- (a) in respect of the Assistant Director/Technical Adviser and the Head of the Claims Department, be limited to approvals not exceeding £500 000 for a particular claim; and
- (b) in respect of other officers:
 - (I) be given only in respect of claims arising out of a specific incident and only to an officer who is responsible for dealing with claims arising out of that incident; and
 - (ii) be limited to approvals not exceeding £75 000 for a particular claim.

The conditions and extent of such delegation shall be laid down in Administrative Instructions issued by the Director.

Internal Regulation 11bis

The Director may authorise the Assistant Director/Legal Counsel, the Assistant Director/Technical Adviser or the Head of the Claims Department to act on his behalf in the fulfilment of the functions set out in Article 29 of the 1992 Fund Convention, and to be the legal representative of the 1992 Fund. The conditions and extent of such delegation shall be laid down in Administrative Instructions issued by the Director. Delegation made in accordance with this Regulation overrides any limitation of the authority of the above-mentioned officers contained elsewhere in these Regulations or in the Financial Regulations.

* * *

ANNEX III

Amendments to the Financial Regulations

(Proposed amendments underlined)

Financial Regulation 9.2

The Director may authorise one or more officers to act as signatories on behalf of the 1972 [1971] Fund in giving payment instructions. The 1972 [1971] Fund's bankers shall be empowered to accept payment instructions on behalf of the 1972 [1971] Fund when signed as follows:

- (a) for any sum up to £10 000 by any officer from category A, B or C;
- (b) for any sum in excess of £10 000 up to £25 000, by an officer from category A or by any two officers from category B or C;
- (c) for any sum in excess of £25 000 up to £100 000, by any two officers from category A, B or C;
- (d) for any sum in excess of £100 000, by one officer from category A or B plus one officer from category A, B or C.

For the purposes of this Regulation, the categories are as follows:

Category A	Director
Category B	<u>Assistant Director/Legal Counsel, Assistant Director/Technical Adviser</u> and Head of the Claims Department
Category C	Other officers

Further conditions in respect of the delegation of authority under this Regulation shall be laid down by the Director in Administrative Instructions