



**INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUNDS 1971
AND 1992**

ASSEMBLY
7th session
Agenda item 24

92FUND/A.7/21
20 July 2002
Original: ENGLISH

ADMINISTRATIVE COUNCIL
9th session
Agenda item 17

71FUND/AC.9/15

SHARING OF JOINT ADMINISTRATIVE COSTS BETWEEN THE 1992 FUND AND THE 1971 FUND

Note by the Director

Summary: The costs of running the joint Secretariat have to be distributed between the 1992 Fund and 1971 Fund.

Action to be taken: Decide on the apportionment of the joint administrative costs.

- 1** At their June 1996 sessions, the Assemblies agreed that the distribution of the costs of running the 1992 Fund and 1971 Fund's joint Secretariat should be decided yearly by the Assemblies of the two Funds (documents 92FUND/A.1/34, paragraph 11.1 and 71FUND/A/ES.2/22, paragraph 9). In recent years the governing bodies of the Organisations have taken the following decisions in respect of the distribution of these costs:

Year	Paid by 1992 Fund	Paid by 1971 Fund	Documents	Paragraphs
1996 (part)	25%	75%	92FUND/A.1/34	11
			71FUND/A/ES.2/22	9
1997	30%	70%	92FUND/A/ES.1/22	16
			71FUND/A.19/30	23
1998	40%	60%	92FUND/A.2/29	24
			71FUND/A.20/30	23
1999	50%	50%	92FUND/A.3/27	22
			71FUND/EXC.59/17/A.21/24	21
2000	50%	50%	92FUND/A.4/32	26
			71FUND/EXC.62/14/A.22/23	22
2001	60%	40%	92FUND/A.5/28	26
			71FUND/AC.2/A.23/22	19
2002	70%	30%	92FUND/A.6/28	24
			71FUND/AC.6/A.24/22	21

- 2 The Director is of the view that during 2003 the ratio of administrative work between the 1992 Fund and the 1971 Fund will differ from what was foreseen when the distribution of costs for 2002 between the two Organisations was decided. A major part of the workload in the Claims Department will during 2003 relate to the *Erika* incident which concerns only the 1992 Fund. The 1971 Fund Convention ceased to be in force on 24 May 2002, and as a result the 1971 Fund will not be involved in occurring incidents after this date. It is expected that several incidents involving the 1971 Fund which have required a considerable amount of work in 2002 will have been settled by the end of 2002 or early in 2003. With regard to the amount of work required in respect of the winding up of the 1971 Fund, the draft budget for 2003 contains a special allocation to cover consultant fees incurred in connection with the winding up. The Director therefore proposes that for 2003 the joint administrative costs of the two Organisations should be distributed with 80% to be paid by the 1992 Fund and 20% to be paid by the 1971 Fund. In the Director's view, however, as for previous years, this distribution should not apply to certain items in respect of which it will be possible to make a distribution based on the actual costs to be incurred by each Organisation, as set out in the explanatory note to the draft budget for 2003 (documents 92FUND/A.7/23 and 71FUND/AC.9/15).

Action to be taken by the governing bodies

- 3 The governing bodies are invited to consider the apportionment of joint administrative costs between the 1992 Fund and the 1971 Fund for the period 1 January to 31 December 2003.
-