



INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUND 1992

ASSEMBLY
7th session
Agenda item 28

92FUND/A.7/25
11 October 2001
Original: ENGLISH

INTERNATIONAL CONVENTION ON LIABILITY AND COMPENSATION FOR DAMAGE IN CONNECTION WITH THE CARRIAGE OF HAZARDOUS AND NOXIOUS SUBSTANCES BY SEA

Note by the Director

Summary:	The Secretariat is carrying out the final phase of the development of a system to assist in identifying and reporting contributing cargo under the HNS Convention.
Action to be taken:	Information to be noted.

1 Introduction

- 1.1 The Assembly noted at its 1st session that, in a Resolution of the Conference which had adopted the International Convention on liability and compensation for damage in connection with the carriage of hazardous and noxious substances by sea (HNS Convention), the Assembly of the 1992 Fund had been invited to assign to the Director of the 1992 Fund, in addition to his functions under the 1992 Fund Convention, the administrative tasks necessary for setting up the International Hazardous and Noxious Substances Fund (HNS Fund) in accordance with the HNS Convention. The Assembly instructed the Director to carry out the tasks requested by the HNS Conference (document 92FUND/A.1/34, paragraphs 33.1.1 - 33.1.3), on the basis that all expenses incurred would be repaid by the HNS Fund.
- 1.2 The Assembly may wish to note that two States, the Russian Federation and Angola, have acceded to the HNS Convention.
- 1.3 At its 6th session held in October 2001, the Assembly instructed the Director to develop a system in the form of a website or CD-Rom to assist States and potential contributors in the identification and reporting of contributing cargo under the HNS Convention (document 92FUND/A.6/28, paragraph 28.5). The Assembly granted an extra appropriation of £150 000 for this purpose, provided that the costs incurred would be reimbursed to the 1992 Fund by the HNS Fund when the HNS Convention entered into force. It was noted that these costs would be paid from the General Fund (document 92FUND/A.6/28, paragraphs 28.5 and 28.6).

2 Correspondence Group

2.1 At the 80th session of the Legal Committee of the International Maritime Organization (IMO), held in October 1999, a Correspondence Group was established and charged with monitoring the implementation of the HNS Convention, with the United Kingdom as co-ordinator of the Group. The Group's terms of reference were as follows:

- (1) to provide a forum for an exchange of views concerning HNS implementation issues and to follow the implementation process in States;
- (2) to provide, with a view to an early entry into force of the HNS Convention at a global level and for the benefit of both potential States Parties and affected industries, guidance on issues regarding the implementation and operation of that Convention, such as, but not limited to:
 - (a) the collection of information on contributing cargo;
 - (b) the development of appropriate reporting and verification systems and standard reporting forms;
 - (c) the contribution system;
 - (d) the acceptability of insurance or other financial security for the purpose of Article 12 of the HNS Convention; and
- (3) to report to the Legal Committee at its regular sessions.

2.2 The Correspondence Group has developed a short overview of the HNS Convention which was approved by the Legal Committee at its 84th session in April 2002 subject to a few minor amendments. The overview has been posted on IMO's website and has been circulated in written form to Governments.

2.3 The Legal Committee noted with approval the ongoing work of the Correspondence Group. The Correspondence Group was encouraged to continue its work to resolve the most complicated issues of the HNS Convention and to keep the Committee informed of its work.

3 System to monitor contributing cargo

3.1 The outline of a system to monitor contributing cargo was described in a document submitted to the Assembly's October 2001 session (document 92FUND/A.6/25).

3.2 With the assistance of IT consultants, the Secretariat developed a non-functioning prototype of such a system, which showed how the system is expected to operate but could not be used to process data. A demonstration of this prototype to interested delegates was arranged during the April/May 2002 sessions of the IOPC Funds' governing bodies. The non-functioning prototype was then made available to delegates on request, in the form of a CD-ROM, so as to enable them to provide detailed comments on the operation of the system.

3.3 A functioning prototype was then developed which permits the processing of sample data based on a trial database of 100 substances. The functioning prototype was available for demonstration to delegates on request during the July 2002 sessions of the IOPC Funds' governing bodies and is being circulated in the form of a CD-ROM in order to obtain further comments.

3.4 The costs incurred in the development of the prototype system amount to some £25 000.

3.5 Some observations have been received on the prototype system and these, together with any further observations which may be received, will be taken into account in the development of the final system.

3.6 The final phase of the project will include the development of a database of all substances qualifying as hazardous or noxious substances. IMO has very kindly agreed to provide data to the

1992 Fund in electronic format on the substances covered by the relevant IMO Conventions and Codes and this will greatly facilitate the development of the database. The final system will be demonstrated to delegations at the earliest opportunity.

4 Action to be taken by the Assembly

The Assembly is invited to take note of the information contained in this document.
