



INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUND 1992

FONDS INTERNATIONAL
D'INDEMNISATION DE 1992
POUR LES DOMMAGES DUS À
LA POLLUTION PAR LES
HYDROCARBURES

FONDO INTERNACIONAL
DE INDEMNIZACIÓN DE
DAÑOS DEBIDOS A LA
CONTAMINACIÓN POR
HIDROCARBUROS DE 1992

The International Oil Pollution Compensation Fund 1992 herewith submits the following contribution to the comprehensive report to be prepared by the Secretary-General.

The Fund operates within the framework of an international regime providing compensation for oil pollution damage caused by oil spills from tankers. The regime is created by two international treaties elaborated under the auspices of the International Maritime Organization (IMO), namely the International Convention on Civil Liability for Oil Pollution Damage, 1992 (1992 Civil Liability Convention) and the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, 1992 (1992 Fund Convention). These treaties replace two previous treaties of 1969 and 1971 respectively. The Civil Liability Convention governs the liability of the shipowner, whereas the Fund Convention provides supplementary compensation when the amount paid by the shipowner or his insurer is insufficient to compensate all victims in full. The total amount of compensation available under the 1992 Conventions is 203 million Special Drawing Rights (US\$302 million). Compensation is available to States, local authorities, private businesses and individuals such as fishermen. Since the original Fund was set up in 1978, compensation totalling US\$850 million has been paid in respect of some 130 incidents. The Fund is financed through a levy on oil received in Member States after sea transport.

The Fund therefore acts within the objective of Article 235, paragraphs 2 and 3, of the United Nations Convention on the Law of the Sea, namely to ensure that prompt and adequate compensation is available to victims of oil pollution and is an example of co-operation between States to achieve this objective.

In May 2004, an International Conference, held under the auspices of IMO, adopted a Protocol to the 1992 Fund Convention, the Protocol of 2003 to the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, 1992. The Protocol will establish a Supplementary Fund which will pay additional compensation if the amount available under the 1992 Conventions is insufficient.

The main elements of the Protocol are as follows.

- The Protocol will establish a new intergovernmental organisation, the International Oil Pollution Compensation Supplementary Fund, 2003.
- Any State which is Party to the 1992 Fund Convention may become Party to the Protocol and thereby become a Member of the Supplementary Fund.
- The Protocol will apply to damage in the territory, including the territorial sea, of a State which is a

Party to the Protocol and in the exclusive economic zone (EEZ) of such a State.

- The total amount of compensation payable for any one incident will be 750 million Special Drawing Rights (SDR) (US\$1 114 million), including the amount payable under the 1992 Civil Liability and Fund Conventions, 203 million SDR (US\$302 million).
- The Supplementary Fund will be financed by a levy on oil received in the States Parties to the Protocol after sea transport.
- The Protocol will enter into force three months after it has been ratified by at least eight States which have received a combined total of 450 million tons of contributing oil in a calendar year.
- The Supplementary Fund will only pay compensation for incidents which occur after the Protocol has entered into force.

It is expected that the 2003 Protocol will enter into force towards the end of 2004 or early in 2005.