

ROPME
SEA KAPS



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**MEETING ON THE ESTABLISHMENT
OF AN EMERGENCY FUND FOR
MARINE ENVIRONMENT
PROTECTION**



BAHRAIN, 21-22 FEBRUARY 1999

OPENING OF THE MEETING

A two-day Meeting on the Establishment of an Emergency Fund for Marine Environment Protection, organized by Marine Emergency Mutual Aid Centre (MEMAC), was held in Manama, Bahrain during 21-22 February 1999. The Meeting was attended by H.E. Dr. Abdul Rahman Al-Awadi, the Executive Secretary of the Regional Organization for the Protection of the Marine Environment (ROPME), Dr. Mahmood Y. Abdulraheem, the Regional Representative and Director of UNEP/ROWA, Captain A.M. Al-Janahi, Director of MEMAC, Mr. Joseph Nichols, Head of Claims of International Oil Pollution Compensation (IOPC) Fund, financial, technical and legal experts beside representatives of ROPME Member States.

Addressing the participants at the opening of the Meeting, H.E. Dr. Abdul Rahman Al-Awadi said, "The recent oil spillage incidents taking place in the ROPME Sea Area have shown clearly the importance and urgency of taking prompt action towards the protection of the marine environment. This serious matter does not concern only one country, or only the State in distress, but also all the other States in the region. It concerns also the process of navigation in the Gulf in general. Hence, the matter of co-operation and co-ordination among the Member States on one hand, and between these States and the concerned companies and organizations on the other hand, is considered of vital importance."

He added, "To facilitate immediate action by MEMAC as the co-ordination centre, it is of utmost importance that all the expenses incurred by such an immediate mobilization should be supported by guaranteed reimbursement from a financial resource in the form of Emergency Fund. The Tenth Council Meeting of ROPME has requested MEMAC in its Decision No.21 to examine some options for establishing an Emergency Fund for Marine Environment Protection and to convene a legal-Technical expert Meeting for elaborating a mechanism and a ceiling value for the establishment of the Fund."



IOPC FUND PRESENTATION:

Mr. Joseph Nichols of IOPC Fund highlighted the key points of the Fund in his presentation as follows:

- ROPME Member States who are members of IOPC Fund should attend assembly meetings to make their views known and influence possible future changes to IOPC Fund provisions.
- It is important to remember that the IOPC Fund applies strict technical criteria to the assessment of validity of spill clean up claims (e.g. Public Relations activities in this respect would not be generally admissible).
- Spills of Bunker fuel are not yet covered by the IOPC Fund but chemical spills will be covered in the foreseeable future.





- The IOPC Fund solely covers tanker incidents involving the spillage of crude oil or persistent refined oils.
- The IOPC Fund will only compensate for restoration costs or consequent economic losses in respect of environmental damage.
- The IOPC Fund Claims Manual provides guidelines to facilitate the rapid payment of compensation claims, if the correct procedures are followed. The IOPCF is most willing to assist in this respect by clarifying these procedures to claimants.
- The limitation period for the submission of claims to the IOPC Fund is 3 years from the date of the incident.



BANK PRESENTATIONS :

The representative of Al-Ahli Commercial Bank stated that a proposed loan would be made with the understanding that the IOPC Fund would be the primary guarantor with back up from ROPME Member States. However, the IOPC Fund representative commented that it might not be possible for the IOPC Fund to act in such a capacity, and the guarantor ought to be the ROPME Member States, possibly supported in this respect by re-insurance of their liabilities on the international financial market.

The representative of the Gulf International Bank proposed a revolving letter of credit guaranteed by all ROPME Member State Governments, saying that this would allow an immediate draw down of the Fund in a spill emergency with repayment responsibility laying with the impacted Member States.



OPTIONS FOR THE ESTABLISHMENT OF THE FUND :

The Meeting discussed a number of options for the establishment of the Fund which are as follows :

1. Establishment of a Voluntary Fund.
2. Loan by Commercial Banks.
3. Levy on all Oil Exports from the Region.
4. Approach to International Group of P&I Clubs.
5. Member States to loan capital to establish an Emergency Fund.
6. Establishment of a Seed Fund to build up an Emergency Fund.



CONCLUSION :

It was urged that ROPME/MEMAC would be empowered by a Memorandum of Understanding with Member States to disburse the Fund. This agreement would require agreement and participation by all Member States. It is essential that all Member States are fully aware of the mechanism for consistent submission of claims both via the IOPC Fund and other appropriate sources.

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