



International Oil Pollution
Compensation Funds

Agenda Item 3	IOPC/APR24/3/4	
Date	15 March 2024	
Original	English	
1992 Fund Assembly	92AES28	
1992 Fund Executive Committee	92EC82	●
Supplementary Fund Assembly	SAES12	

INCIDENTS INVOLVING THE IOPC FUNDS — 1992 FUND

INCIDENT IN ISRAEL

Note by the Secretariat

Objective of document:	To inform the 1992 Fund Executive Committee of the latest developments regarding this incident.
Summary:	<p>In February 2021, the Government of Israel contacted the 1992 Fund requesting assistance with oil found along the Israeli coast. The source of the spill had not been identified. The Israeli Government reported that it believed a spill had occurred in the waters of their exclusive economic zone (EEZ).</p> <p>Clean-up operations were carried out under the direction of the Marine Environment Protection Division of the Israeli Ministry of Environmental Protection, with local authorities organising the response on the beaches. The main clean-up operations were completed by mid-April 2021.</p> <p>Analyses of the polluting oil carried out by two laboratories in Israel and by experts appointed by the 1992 Fund indicated that the oil found along the coastline was crude oil.</p> <p>In July 2021, the 1992 Fund Executive Committee decided that the pollution which had affected the coastline of Israel could be considered as a spill from an unknown source and that, for this reason, the 1992 Civil Liability and Fund Conventions would apply to this incident (document IOPC/JUL21/9/1).</p>
Recent developments:	<p>As at 6 March 2024, a total of 470 claims had been submitted for clean-up operations, property damage and economic losses, totalling Israeli New Shekel (ILS) 39.8 million (£8.7 million)^{<1>}. Nineteen claims have been assessed at ILS 8.2 million (£1.8 million), and 12 of those have been paid ILS 4 630 043.87 (£1 million) in compensation. 360 claims have been rejected for lack of information or lack of link of causation.</p> <p>The three-year anniversary of the spill was on 17 February 2024. The 1992 Fund informed those claimants whose claims had not yet been finalised of the approaching time bar and recommended to commence legal proceedings to protect their rights.</p>

<1> The exchange rate used in this document is based on the exchange rate as at 31 December 2023 of £1 = ILS 4.5904, except for the amounts already paid by the 1992 Fund, for which the exchange rate at the time of payment has been used.

	As at 6 March 2024, three actions have been filed against the 1992 Fund in the Admiralty Court of Haifa, covering some 452 claims.
Relevant documents:	The online Incident in Israel incident report can be found via the Incidents section of the IOPC Funds' website.
Action to be taken:	<u>1992 Fund Executive Committee</u>
	Information to be noted.

1 Summary of incident

Ship	Unknown
Date of incident	17.02.2021 (date of the oil reaching the shoreline)
Place of incident	Israeli EEZ (presumed)
Cause of incident	Unknown (presumed to be crude oil washing)
Quantity of oil spilled	Unknown
Area affected	Israeli coastline (approximately 170 km) with tar balls
Flag State of ship	Unknown
Gross tonnage	Unknown
P&I insurer	Unknown
CLC limit	Unknown
CLC + Fund limit	SDR 203 million or ILS 943 024 320 (£205.4 million) ^{<2>}
Legal proceedings	Three actions against the 1992 Fund by: <ol style="list-style-type: none"> 1. The Government of Israel with respect to 12 claims totalling ILS 25 929 167 (£5.6 million); 2. One environmental non-governmental organisation (NGO) with respect to a claim totalling ILS 100 654 (£22 000); and 3. One consolidated claim on behalf of 436 fishers and three restaurateurs totalling ILS 2 992 000 (£652 000).

2 Background information

- 2.1 On 17 February 2021, tar balls, began to wash up along the Israeli coastline, ranging in severity from medium-heavy pollution to very light, dispersed tar balls. The pollution affected the entire coastline to varying degrees.
- 2.2 An investigation carried out by the Israeli Government concluded that sometime between 1 and 2 February 2021, an oil spill incident occurred within the offshore waters of the Israeli exclusive economic zone (EEZ), to the west-northwest of the coastline and that the resulting oil spill was the cause of the contamination of the Israeli coastline.
- 2.3 The Israeli Marine Environment Protection Division responded under their National Contingency Plan and took control of the overall response to the spill, utilising the local authorities who were in charge of organising the response on the beaches.
- 2.4 Clean-up operations were carried out with the deployment of personnel from municipal authorities, nature and parks authorities and government departments as well as volunteers. Clean-up operations

^{<2>} The conversion of SDR 203 million into Israeli New Shekel (ILS) was made on the basis of the value of that currency *vis-à-vis* the Special Drawing Rights (SDR) on the date of the adoption of the 1992 Fund Executive Committee's Record of Decisions at its 76th session, i.e. 23 July 2021, at the rate of SDR 1 = ILS 4.645440, giving a total amount available for compensation of ILS 943 024 320.

were largely finished by mid-April 2021, although removal of tar from different locations, mainly the centre and northern part of the country as far as the northern border, continued into the early summer.

- 2.5 Bans on fishing and on bathing were imposed immediately after the tar balls first washed ashore. The fisheries restrictions were lifted in early March 2021. The bathing prohibitions were removed in mid-March 2021.

3 Applicability of the Conventions

- 3.1 Israel is Party to the 1992 Civil Liability Convention (1992 CLC) and the 1992 Fund Convention.
- 3.2 At its October 2002 session, the 1992 Fund Executive Committee endorsed the Director's interpretation of the 1992 Fund Convention. This interpretation stipulated that the 1992 Fund Convention also applied to spills of persistent oil, even if the ship from which the oil originated could not be identified. However, this applied under the condition that it had been satisfactorily demonstrated to the 1992 Fund, or in case of dispute, to a competent court, that the oil originated from a ship as defined in the 1992 CLC (document [92FUND/EXC.18/14](#), paragraph 3.12.13).
- 3.3 At its July 2021 session, the 1992 Fund Executive Committee decided that the pollution which had affected the coastline of Israel could be considered as a spill from an unknown source (a so-called 'mystery spill') and that, for this reason, the 1992 Civil Liability and Fund Conventions would apply to this incident.
- 3.4 At that same session, the 1992 Fund Executive Committee, therefore, authorised the Director to settle and pay claims for compensation arising from the incident (document [IOPC/JUL21/9/2](#), paragraph 3.2.22).

4 Claims for compensation

- 4.1 As at 6 March 2024, a total of 470 claims had been submitted. Of these, 25 claims have been submitted by the Israeli authorities and two non-governmental organisations (NGO's) for clean up and clean-up related activities totalling ILS 31.6 million (£6.9 million). Of these claims, 17 have been assessed at ILS 7.8 million (£1.7 million). Eight claims have been settled at ILS 1 108 292 (£241 958). Two more claims have been paid on a provisional basis at ILS 3 282 565 (£718 410). Of the remaining clean-up claims, four are being assessed. Four claims, which had not been previously submitted to the 1992 Fund, have been submitted to court and will be reviewed when supporting documents become available.
- 4.2 In the fisheries and aquaculture sector, a total of 361 claims had previously been submitted to the 1992 Fund, totalling ILS 6.6 million (£1.4 million). One claim, from an aquaculture farm, totalling ILS 1 million (£217 000) has been settled at ILS 264 907 (£57 226). The remaining claims, referring to property damage and economic losses in the fisheries sector, have been rejected due to the lack of supporting information. A further 78 claims by fishers, totalling ILS 234 000 (£51 000), have recently been submitted in court and will be reviewed when supporting documents become available.
- 4.3 Two claims have been submitted for economic losses by two marine sport operators and schools. One of these claims has been settled at ILS 26 720 (£6 359). The other has been rejected since the claimant has not submitted sufficient information to determine whether they have suffered a loss. One claim for property damage has been rejected as it was found to be inadmissible.
- 4.4 Three claims have been submitted by three fish restaurants for economic losses, totalling ILS 1.3 million (£280 000). These claims have been rejected for lack of information.

5 Legal proceedings

5.1 In early February 2024, the IOPC Funds sent an official notice to all claimants to advise them of the approaching time bar and that claimants with claims still pending should commence legal action against the 1992 Fund before 17 February 2024 in order to protect their right of compensation as per Article 6 of the 1992 Fund Convention. As at 6 March 2024, three lawsuits were filed in the Admiralty Court in Haifa against the 1992 Fund, respectively by:

- The Israeli Government, for 12 claims for costs incurred by the central Government and municipal authorities, totalling ILS 25 929 167 (£5.6 million);
- An NGO for costs incurred during the response, totalling ILS 100 654 (£22 000); and
- A consolidated claim by 436 fishers and three restaurant owners, totalling ILS 3 million (£652 000).

5.2 The Admiralty Court in Haifa has scheduled its first hearing for 26 May 2024.

6 Director's considerations

6.1 This incident occurred on 17 February 2021 during the COVID-19 pandemic, which presented numerous challenges both on the ground, with the Israeli authorities having to organise and manage the response to the spill while abiding by distancing regulations in Israel, as well as in difficulties for the IOPC Funds in sending personnel to monitor and advise those parties conducting the response.

6.2 The closures, due to the COVID-19 pandemic, also meant that the economic impact of the incident was more limited than it would have been had all the economic and tourism establishments that normally operate along the coast of Israel been open as normal. Nonetheless, more than 300 claims have been submitted in relation to this incident.

6.3 According to Article 6 of the 1992 Fund Convention, if a claimant does not bring a lawsuit seeking compensation against the 1992 Fund before the third anniversary of the incident, such claimant loses the right to claim compensation.

6.4 The three-year anniversary of the spill was on 17 February 2024. In advance of that date, the IOPC Funds had advised all claimants who had not reached final settlement with the 1992 Fund to take the necessary legal steps to protect their rights in the national Court and commence a lawsuit seeking compensation against the 1992 Fund.

6.5 All the pending claims were brought to the Admiralty Court in Haifa within the three-year time limit and are therefore protected from time bar. While the proceedings have not started yet, the claimants and the IOPC Funds continue to cooperate in order to reach amicable settlements whenever possible.

6.6 The Director will report on any developments with regard to this incident in future sessions of the 1992 Fund Executive Committee.

7 Action to be taken

1992 Fund Executive Committee

The 1992 Fund Executive Committee is invited to take note of the information contained in this document.
