



Theme 2

Natural and Manmade Hazard Prevention and Management

**WORKSHOP 1:
WORKSHOP ON GOVERNMENT/
INDUSTRY PARTNERSHIPS FOR
EFFECTIVE AND CONSISTENT
PREPAREDNESS AND RESPONSE TO
MARINE POLLUTION IN EAST ASIA**

24 November 2009



International Maritime Organization (IMO)



International Petroleum Industry Environmental Conservation Association (IPIECA)



Oil Spill Response Limited

Chair: Ms. Patricia Charlebois
Head, Pollution Response Section, Sub-division for Pollution Response and TC Coordination, Marine Environment Division
International Maritime Organization

Co-Chair: Mr. Richard Sykes
International Petroleum Industry Environmental Conservation Association

The East Asian Seas Congress 2009

“Partnerships at Work: Local Implementation and Good Practices”

**Manila, Philippines
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Theme 2: Natural and Manmade Hazard Prevention and Management
Workshop 1: Workshop on Government/Industry Partnerships for Effective and Consistent, Preparedness and Response to Marine Pollution in East Asia

24 November 2009

Co-Convening Agencies:

International Maritime Organization (IMO), International Petroleum Industry Environmental Conservation Association (IPIECA) and Oil Spill Response

Chair:

Ms. Patricia Charlebois, Head, Pollution Response Section, Sub-division for Pollution Response and TC Coordination, Marine Environment Division, International Maritime Organization

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Mr. Richard Sykes,
International Petroleum Industry Environmental Conservation Association

INTRODUCTION

The International Convention on Oil Pollution Preparedness, Response and Co-operation (OPRC Convention) was adopted in 1990 to minimize the environmental and economic consequences of major oil pollution incidents. Bilateral and multilateral co-operation in preparedness and response and promotion of regional arrangements to prepare for and combat oil pollution incidents were also emphasized in the articles of the Convention.

In East Asia, some of the well-known high-risk areas are the Malacca Straits, the South China Sea and the strait between the Republic of Korea and Japan. Dense traffic of oil tankers and major oil production from Sakhalin and the upper Yellow sea, including the Bohai Sea areas, have resulted in having these areas considered as high risk. Hence, the need to review the status of oil spill risks on a subregional basis, as well as the strategies relating to oil spill response, are imperative to further improve the response capability within the region, particularly through regional co-operation.

With the entry into force of the OPRC Convention in May 1995, several multi- and/or bilateral regional agreements have been established, with the aim of increasing regional capacity for preparedness and response to oil spills and developing mutual assistance and/or joint response operations should a major oil spill occur in the region. Government and Industry partnerships in oil spill preparedness and response has been an effective strategy towards enhancing response capability at the global, regional and national levels.

This workshop reviewed major issues currently faced by countries of East Asia regarding preparedness, response and co-operation for combating oil pollution, with a particular emphasis on:

- Regional/sub-regional arrangements for pollution response;

- Challenges in regional government-industry co-operation for spill response;
- Lessons learned from various regional/subregional arrangements;
- Integrated approach to regional, national and local oil spill preparedness and response; and
- Recent developments in Claims and Compensation for Oil Spills.

Framework for Developing OSR Capacities and Accessing Assistance

The OPRC Convention 1990 was adopted to encourage States to develop national and regional capacity to prepare for and respond to oil pollution incidents and facilitate international co-operation and mutual assistance for pollution response. To date, 101 countries have ratified the OPRC Convention 1990. In 2000, the Protocol on Preparedness, Response and Co-operation to Pollution Incidents by Hazardous and Noxious Substances (OPRC-HNS Protocol 2000) was adopted in recognition of the increasing threat of pollution incidents involving chemicals and entered into force on 14 June 2007. Twenty-five (25) countries have ratified the OPRC-HNS Protocol 2000.

Parties to the Convention are required to establish a national system for responding to incidents of oil and HNS pollution which include: a) national contingency plan, b) designated national authorities and 3) an identified national operation focal point (or focal points) . Contracting parties are also mandated to enhance pollution preparedness and response capacity, either individually or through bilateral/ multilateral co-operation through establishment of pre-positioned equipment; implementing a programme of exercises and training of personnel; developing and implementing plans and communication capabilities; and a mechanism for coordinating the response. Rules and provisions for international assistance are also dealt with emphasizing on agreement of countries to provide international assistance to other State parties, and; responsibility of requesting Parties to facilitate the receipt of such assistance in-country and to reimburse the costs incurred of assisting Party.

Underscoring the need for cooperation, the OPRC Convention and OPRC-HNS Protocol specifically call for State parties to endeavor to conclude bilateral or multilateral agreements for oil pollution preparedness and response. The establishment of regional oil spill centers was cited as an effective tool for strengthening and backstopping national and regional capabilities. Such centers also facilitate co-operation and mutual assistance, promote information exchange, and serve as co-ordinating centers for the mobilization of regional and international resources and for regional capacity-building activities.

The “working together approach” has been the basic principle in promoting co-operation involving government, industry and other stakeholders, thus increasing capacities for oil spill preparedness and response. The OPRC 90 provided the effective framework for the significant advances in oil spill preparedness and response around the world and remains to be an important instrument for strengthening government and industry partnerships.

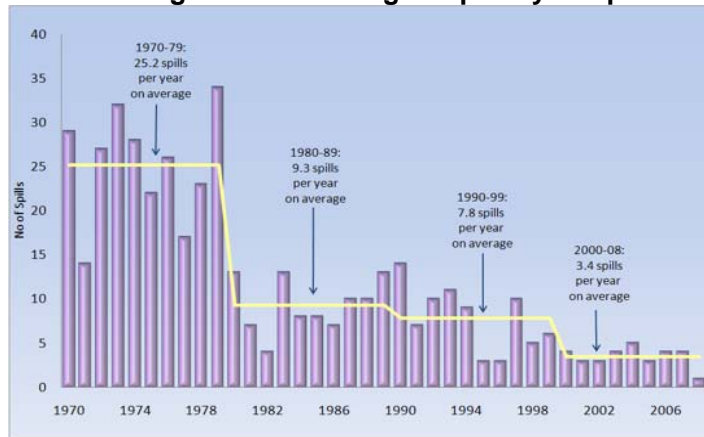
Cooperation between Industry and Government

The Global Initiative is one example of a joint programme between industry and government, and the International Petroleum Industry Environmental Conservation Association (IPIECA) and International Maritime Organization (IMO), in particular, at the global level. The programme aims to improve and sustain the capacity of developing countries to protect their marine and coastal resources at risk from an oil spill incident. Specifically, it encourages and facilitates the development and implementation of oil pollution response capacity and support activities to assist countries in ratifying and implementing the provisions of related international Conventions. The Global Initiative is organized on a regional basis with focal points established for West and Central Africa; the Mediterranean; Caspian and Black Sea and the Caribbean.

The IPIECA Oil Spill Working Group (OSWG) serves as a key international oil industry forum which aims to improve the state of oil spill preparedness and response around the world. IPIECA operates globally and seeks to achieve its vision through the following strategies: (1) developing, sharing and promoting sound practices and solutions; (2) enhancing and communicating knowledge and understanding; (3) engaging members and others in the industry; and (4) working in partnership with key stakeholders. One of the popular works of IPIECA is the publication of its technical report series.

Based on studies, it was evident that the frequency of major spills has declined due to prevention efforts by government and industry. The figure below shows this trend.

Figure 1. Declining Frequency of Spills.



Source: IOPCF 2008

At the regional level, Oil Spill Response, an oil industry tier 3 response organization with a global scope, operates a regional base in Singapore for the Asia-Pacific region and has been an active partner of government entities in the region. For the past eight years, OSR has implemented a proactive advocacy program, assisting relevant government entities in building oil spill response capacities. Oil Spill Response operates on a tiered preparedness and response concept, which is considered as the most efficient and effective way to sustainably meet operational challenges for oil spill response.

In view of the increasing cost of spills (Figure 2), operational integration of both in-country and international response resources held by government and industry is deemed necessary. Major oil spill incidents provide evidences that response resources are more effectively used and deployed when these are operationally integrated.

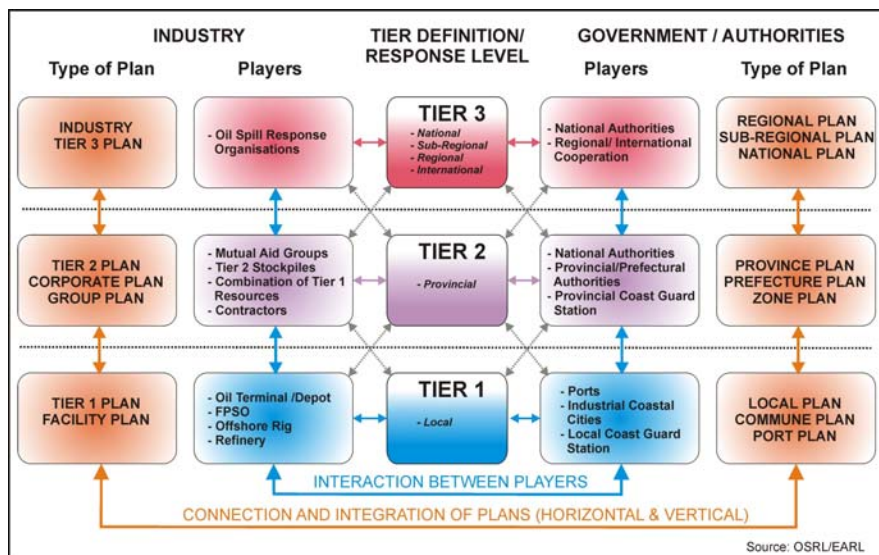
Figure 2. Cost of Spills.

| Incident | Year | Oil Spilt tons | Total Cost \$ | Cost \$/ tonne |
|----------------------|------|----------------|-----------------|----------------|
| Hebei Spirit (Korea) | 2007 | 112,000 | 650,000,000 (?) | \$55,000 |
| Prestige (Spain) | 2002 | 63,000 | 1,443,000,000 | \$22,904 |
| Erika (France) | 1999 | 19,800 | 247,500,000 | \$12,500 |
| Sea Empress (UK) | 1996 | 73,000 | 55,200,000 | \$756 |
| Braer (UK) | 1993 | 84,000 | 78,000,000 | \$928 |
| Exxon Valdez (USA) | 1989 | 37,000 | 1,950,000,000 | \$52,702 |
| Amoco Cadiz (France) | 1978 | 223,000 | 225,000,000 | \$1,009 |

Source: ITOPF.

Figure 3 presents response integration based on the tiered preparedness and response concept. It shows the entry points for industry and government integration and highlights the need for consistency of plans both horizontally (industry and government) and vertically (regional and local level).

Figure 3. Response Integration.



Regional/Subregional Arrangements in Oil Spill Preparedness and Response

MERRAC (is one of four Regional Activities Centers of the Northwest Pacific Action Plan (NOWPAP). MERRAC or the Marine Environmental Emergency Preparedness and Response Regional Activity Centre is established for the development of effective measures for regional cooperation in marine pollution prevention and response in the NOWPAP Region since 2000. MERRAC was originally designated to deal with oil spill preparedness and response. However, the scope of MERRAC activities was expanded in 2005 to include HNS spill, marine litter, ballast water, MARPOL, and Compensation and Liability.

Some of the major oil spill incidents in the NOWPAP region are the Sea Prince incident in 1995, the Nakhodka incident in 1997 and the Hebei Spirit incident in 2007, which resulted in damage to marine environment and huge economic losses. Given these incidents, the need to strengthen regional cooperation is deemed necessary.

The NOWPAP Regional Oil Spill Contingency Plan was adopted in 2003 as technical and operational guidelines for regional co-operation in case of oil spill incident in the NOWPAP Region. The Plan provides a framework under which NOWPAP Members (China, Japan, RO Korea and Russia) can co-operate at the operational level in responding to oil spill incidents. It is also referred to as an operational mechanism for mutual assistance. HNS has been recently added to the existing Plan and its Resolution was adopted in 2008. With this arrangement, the four member states are in a better state of preparedness to respond to oil and HNS spills, as each of them may request assistance from other NOWPAP members in cases of major oil and HNS spill incident.

During the Hebei Spirit incident, the importance of regional cooperation was recognized. Lessons from this incident highlighted the need for regularly conducting communication and tabletop exercises and aim at organizing a joint operational exercise with neighboring countries at least every two years. The need to improve the regional contingency plan and make it a living document was also stressed, particularly on the need to share information on equipment that can

be used for external assistance, national performance standards on the application of non-mechanical methods and information relating to compensation and liability. MERRAC also recognized the need to further enhance its capability for marine pollution prevention, preparedness and response.

At the subregional level, the Joint Statement on Partnerships in Oil Spill Preparedness and Response in the Gulf of Thailand (GOT), which was signed by three countries in January 2006, provided an example of intergovernmental cooperation not covered by a regional convention. The joint statement and framework programme provides a common cooperative platform for enhancing capacities and implementing an effective response system for oil spills at respective countries. It also promotes mutual assistance and international cooperation in oil spill-related programmes and activities, particularly in training, research, exchange of information, among others. The GOT cooperation has a number of achievements which led to increased oil spill preparedness and response capability of participating countries and a better understanding of the system of response in each country. Some of the lessons learned from the subregional cooperation are: (1) integration of stakeholders into an overall system of preparedness and response is imperative; (2) the need to recognize the role of local governments in increasing the level of national preparedness and response; (3) the need to strengthen interconnectivity of oil spill preparedness and response from regional, national to provincial levels; and (4) partnership with the industry increases OSR capability within the region.

Enhancing Local Capacities in Oil Spill Preparedness and Response

Petroleum exploration and production activities are increasing in the region. Vietnam, in particular ranks third in terms of crude oil production after Indonesia and Malaysia. Estimated production in 2009 is 23.8 m tonnes of oil. This has made the country vulnerable to oil spill incidents. In view of this, a national plan to cope with oil spill incidents was approved by the Prime Minister in 2001. Specifically, the plan established 3 regional centers for Oil Spill Response (Northern, Central, Southern) and classified oil spill response into 3 levels: Grassroots or local level, Regional level and National level. Vietnam implemented a comprehensive capacity development program for oil spill preparedness and response including: (1) setting up a comprehensive legal framework; (2) building oil spill response teams; (3) investment in vessel, oil spill response bases and equipment; and (4) setting up a mechanism for oil spill compensation. In addition, Vietnam has initiated the development of oil spill contingency plans in coastal provinces of south Vietnam.

Lessons from Major Oil Spill Incident

In December 2007, the fully laden tanker Hebei Spirit was involved in a collision off the coast of Taean, Republic of Korea. The incident resulted in the largest oil spill in Korean history, during which approximately 10,800 tonnes of crude oil contaminated significant proportions of the country's western coastline and caused wide-scale economic loss, particularly to the fisheries and aquaculture industry. The oil spill response was undertaken on a huge scale and involved cleanup contractors, the local people, the Korean military and thousands of volunteers.

The Hebei Spirit incident challenged both the national system for oil spill preparedness and response in Korea and the effectiveness of the NOWPAP regional arrangement for oil spill response. Some of the issues identified during the incident include the following: (1) failure of initial emergency actions; (2) lack of policies and guidelines for the selection of response technologies; (3) command and control was not unified; (4) lack of a plan for the management of huge numbers of volunteers; (5) lack of understanding of the international compensation and liability regime; and (6) poor mass media relations.

To address the problems faced during the incident, the Korean government carried out a series of comprehensive post-spill follow up measures, including the revision of the national response function and capability, through the establishment of three national strike teams under

the Korean Coast Guard, an overhaul of oil spill training programs and the construction of a specialized oil spill training facility amounting to USD15 million for practical training and to meet the requirements of the OPRC Convention and OPRC-HNS Protocol. In addition, a restoration program for affected areas, based on outcomes of post-oil spill research (oil pollution, ecology monitoring, ecology restoration), is being implemented, which covers the shorelines and island areas of 12 cities in 2 provinces (Total 6,473 km²).

On the other hand, the SOLAR 1 incident, which occurred in August 2006, presented various concerns relating to the Philippine governments' system for oil spill preparedness and response, specifically those relating to organizational arrangements, responsiveness of the National Oil Spill Contingency Plan (NOSCP), preparedness of local government units in handling oil spill incidents and the response capability of the Philippine Coast Guard.

Post-spill measures were carried out by the Philippine Coast Guard (PCG) based on their experience with the SOLAR 1 incident to include: (1) revision of the NOSCP; (2) establishment of additional OSR Centers; (3) empowerment of local government units; (4) upgrading of PCG OSR capability; and (5) formulation/ revision of pertinent pollution prevention regulations.

THE WAY FORWARD

The workshop has put forward the following recommendations:

1. Countries that have not yet done so should consider developing their national oil spill contingency plans, with clearly defined responsibilities, that are properly resourced and regularly exercised;
2. Countries to ratify relevant international conventions such as OPRC, CLC, IOPC Funds;
3. Call on international organizations to catalyze OPRC activities/systems at national and regional levels;
4. Identify organizations such as industry, funding agencies (WB, ADB, UNDP, GEF) and donor governments that can provide technical assistance and support to countries at each level (national, regional, international);
5. Identify different elements needed locally through to regional level for oil spill preparedness, response and cooperation, to ensure effective operational response integration;
6. NOWPAP can serve as an excellent working model, which can be adapted by other subregions of East Asia;
7. There is a need to educate the public and raise awareness of the actual reality of oil spill threats, which could be introduced at school level, as well as through national campaigns that could be extended region-wide;
8. There is a need to recognize that currently some countries lack equipment, training and capability to effectively respond to marine pollution incidents;
9. Political will of national governments is essential to paving the way for regional cooperation.
10. The revitalization of ASEAN-OSRAP will require a legal statement from ASEAN (through the Maritime Transport Working Group) as a policy framework to operate and hold its first official meeting;
11. Stress the importance of the role of PEMSEA in advocacy, technical cooperation, promoting and assisting in regional oil spill preparedness, response and cooperation.
12. Appropriate mechanisms should be established by countries in the region to facilitate, as a priority, the transport and movement of response equipment and personnel across international borders (customs issues).