

“The recent activities of IPIECA with special focus on Asia”

Good morning ladies and gentleman, and I must start by thanking the Petroleum Association of Japan, a longstanding and distinguished member of IPIECA and the Oil Spill Working Group, for their kind invitation to speak in front of you today. It is a great pleasure to visit Japan again.

In preparing my presentation, I cast my thoughts back to the last time I visited. In 2004 we were focused on the issues raised by the Prestige spill – and how risk, response strategies and reputation are intimately linked. These issues are as valid today as they were then. Thankfully, the ITOFF statistics document a diminishing global trend of major spills from tankers in the last thirty five years, when between 1970 & 1979 the average number of spills over 700 tonnes was 25 compared with nearly 8 on average through the nineties and approaching 4 since the start of the new millennium. This is more than encouraging as the amount of oil being carried around the oceans of the world is vastly increased to meet the increasing energy patterns. In fact, when you review the VLCC movements around the globe, in 1989 with 31 VLCC's trading to Asia and in 2005 the number of VLCC movements increasing dramatically to 112, you realise that there must be a very logical justification. This region, in particular, has seen enormous change. Japan, South Korea and now China are huge global oil consumers. In fact Japan and China rank only after the USA in respect of oil transported by sea. With the great economic expansion witnessed in China, the import of oil has risen from 60 million tonnes in 2001 to over 150 million tonnes in 2005. 90% of this oil is delivered by ship and what is worrying for the region is that 60% of all of China's imports come

through the Malacca Straits. To compound this dramatic increase in oil transportation China has also increased oil transportation along its coast to a staggering 210 million tonnes. So, with this increased risk it is not surprising that, in the context of ASIA and in particular East Asia, the numbers of spills are far from dropping off. In reality, the number of spills over 700 tonnes has remained constant; and shipping traffic has increased dramatically. So, despite all the hard work and the great achievements in establishing effective regional action plans, the risk of a major oil spill in Asia is greater than ever and must spur us all to new efforts.

... and at IPIECA we certainly have been working hard since my last report to you in 2004 – as this slide shows some of the publications and events that have taken place in the past three years.

The Oil Spill Report Series now extends to 17 volumes and is available in English, French, Spanish, Russian and Chinese and soon to be in Arabic – there are even a number of volumes available in Japanese. IPIECA encouraged this process and we are of course ready to support you or any of our member organisations in any way we can. There is no doubting that the report series, many of which were published in close collaboration with the IMO & ITOPF, are still considered a major resource for responding to spills. In the past 12 months we have produced a summary of all the reports and the entire series are now downloadable from an accompanying CD.

That said I have been especially asked to address an outline of IPIECA's oil spill activities – with a more *regional focus*, looking predominantly at IPIECA and other industry activities in the Asian Region. Such a request fits perfectly with one of IPIECA's key aims for 2007, that is to focus on regional outreach and working with our members in different parts of

the world ensure that the industry messages we promote truly resonates in all corners of the globe.

This slide shows you the geographical spread of our membership. Whilst IPIECA is predominantly Eurocentric, our membership in this region is relatively strong

But, before explaining how the IPIECA Oil Spill Working Group is tackling some of the challenges in this part of the world, it might perhaps be worthwhile in providing just a very quick overview of who we are and what we do.

IPIECA is the global association improving environmental and social performance in the oil and gas industry. Our membership account for approximately 60% of all oil produced as well as refined products and is made up of 28 national and international oil and gas companies, as well as 12 association members. The London secretariat is small – we are 9 in number – and focus in on the number of global environmental and social issues you see listed here through a series of issue-focused permanent working groups. A special dimension of IPIECA's role is in relation to the UN agencies where we have observer status; IPIECA was formed in 1974, soon after the founding of UNEP, in part to act as an interface, a channel of communication, between the petroleum industry and the UN.

Each of the IPIECA working groups works to help inform members of issue development; to represent member views and to improve performance by developing and communicating good practice. And the main mechanism for delivering on these aims, you see listed on the slide: International workshops and conferences; Authoritative reports; our communication with the UN; Forum for open dialogue; Stakeholder engagement.

Focussing now on oil spill prevention, preparedness and response the Oil Spill Working Group depends on the support both of IPIECA members and the many partner organisations depicted in the roundel on the slide who contribute knowledge, expertise and time to its work. As you can see, this includes industry associations, such as PAJ, from around the world as well intergovernmental organisations, NGOs and some research institutes. The input of these organisations greatly strengthens the oil spill working group and I always like to recognise their immense and continuing contribution.

So where does the group concentrate its efforts? Well, the message has been pretty consistent for a number of years and is essentially threefold:

- We aim to promote sustainable contingency planning in coastal regions around the world, whilst promoting the concept of Net Environmental Benefit Analysis, or NEBA;

- We encourage the use of the Tiered Response Concept and I will discuss this in greater detail later, and

- We work with our friends in the IMO, ITOPF and the IOPC Fund, and our contacts in country to help national authorities understand the benefits of ratification of the international conventions, principally the Oil Pollution Preparedness, Response, and Cooperation Convention, the 1992 Civil Liability Convention, and the 1992 Fund Convention.

We communicate this message primarily through the Global Initiative – which is the IMO and IPIECA's joint outreach programme. By bringing together the two main players with national and regional representatives, we strive to build and sustain effective oil spill preparedness and response capability around the world. In describing the concept and workings of the Global Initiative we come back to

the notions both of 'regional outreach' and of 'working together'. Both these ideas are integral to the work of the Oil Spill Working Group.

The main communication vehicle for the Global Initiative is high level and operational workshops and training sessions related to contingency planning, sensitivity mapping, and other key aspects of oil spill preparedness and response. These activities are delivered jointly by the IMO and industry with support at the national and regional levels from government and industry, in country. However, the real challenge is in maintaining momentum after the initial workshops and activities have come to an end. This is often a real struggle. Continuing active support is absolutely fundamental from the most senior policy makers and managers in both government and industry, as well as those directly responsible for exercising and implementing the national contingency plans.

In recent years the Global Initiative has made a significant move to a regional approach with regional GI groups now operational in the Black Sea and Caspian region; the Caribbean; the Mediterranean and West and Central Africa. Whilst the set up of each group is slightly different, and predominantly self funding by interested oil companies, each works to bring a better understanding of preparedness and response strategies; to develop organisational capability in the region. What we have learned is that to bring about change and maintain pressure a dedicated project manager is essential in each region, so as to coordinate with all the players involved and to follow up on efforts essential to bringing continuity and sustainability to GI initiatives.

But what of Asia in all of this? IPIECA has a relatively strong membership base in the wider Asia Pacific region – indeed, I personally will be returning to the region twice in the coming months: to Perth in March to attend Spillcon, the 11th environmental pollution prevention

and response conference for the Asia Pacific region, considered the premier marine environmental protection, preparedness and response conference for the Asia Pacific Region co-hosted by the Australian Institute of Petroleum (AIP) and the Australian Maritime Safety Authority (AMSA) and to KK, East Malaysia in April where Petronas will host the IPIECA 4 day Annual General Meetings. We also have a strong connection on the oil spill side, not least through the activities of our hosts, the Petroleum Association of Japan, but also our close association with what was East Asia Response Limited – now OSRL/EARL based in Singapore. In fact the first GI workshop in Asia was held in Beijing in 2004, which led to improved industry cooperation on oil spill preparedness and response through the development of an informal network of interested companies.

In 2006 the IPIECA Oil Spill Working Group turned its attention to the region as a whole to see whether levels of preparedness and cooperation could be further enhanced in this vast and diverse region

Just two months ago a workshop was co-hosted by IPIECA, IMO, NOWPAP MERRAC and OSRL/EARL at the East Asian Seas Congress in Haikou City, China to identify common challenges and opportunities for strengthening and further enhancing regional cooperation for oil spill preparedness. The Workshop provided an opportunity to hear from international oil spill experts on the regional risk profile and also from national representatives presenting on the work already ongoing in the region in the national context and also on a regional level.

The workshop report, which was endorsed by the ministerial forum of that Congress concluded that:

“More emphasis should be placed on co-ordination and co-operation between maritime Administrations and industry groups in the spirit of the IMO/IPIECA Global Initiative (GI), with a view to

building and sustaining national and regional capacity for oil pollution preparedness, response and cooperation"

One of my main take-aways from this workshop was that there is already a high level of awareness in East and South East Asia of the ongoing need to re-examine current arrangements and strengthen preparedness in the face of changing shipping routes and new E&P developments, which can so quickly alter the risk profile. And there is a great deal of collaborative work already in place. Secondly, that the NOWPAP and PEMSEA region are very different and require very different approaches, as for the Caspian and Black Sea regions

The Marine Environmental Emergency Preparedness and Response Regional Activity Centre (MERRAC) is one of four regional centres to coordinate activities for the protection, management and development of the Marine and Coastal Environment of the Northwest Pacific Region (NOWPAP). This centre stands out as a dynamic collaboration between the governments of four countries: Japan, Korea, China and Russia – hosted in Korea. In just a few short years since its establishment in 1997, the high-level commitment from the member governments of these four countries, coupled with un-stinted support from the IMO Secretariat in London, has led to the development of an action plan for the region, which was signed in 2003 and amended in 2006. IPIECA was honoured to be invited, for the first time, to attend the MERRAC focal points meeting in June 2006 and we look forward to continuing collaboration, leading perhaps in the future to a higher level of participation and support from regional and local industry. OSRL/EARL I know has focussed hard on relationship building and on taking advantage of opportunities that arise to promote the GI messages (international conventions, national contingency planning, government – industry co-operation, tiered response concept) This effort has resulted in forging good relationships

and has opened many doors. The IPIECA flag has been waved (so to speak) and key actors in the region now know and recognise IPIECA. I understand MERRAC are planning a regional exercise next year in China and we in IPIECA look forward to being involved

In the South East Asian region, the ASEAN countries have been working together for many years with a clear objective to improve the response capability of the ASEAN countries to deal with oil spill incidents based on the ASEAN Oil Spill Response Action Plan (OSRAP).

This agreement is designed to enhance the ability of a country to respond to a spill which may be beyond its national capability. It provides a cooperative plan for mutual assistance from member states and organisations in the event of major oil spill incidents which exceeds the national response capability. It also offers an international mobilisation through an inter-government response team as well as utilising oil industry stakeholders under the ASEAN Council on Petroleum (ASCOPE) organisation that involves a group of national oil companies banded together and who acts as the industry conduit into the planning process. This agreement has established the procedure for requesting assistance. That is, the national lead agency of the affected country can request assistance directly from the lead agency of one or more ASEAN countries. The responding countries will respond detailing what assistance is, or is not available as soon as possible.

IPIECA is very much involved with this forum in promoting the messages of the Global Initiative and industry best practice on oil spill preparedness and response and, only a few weeks ago, we were in Bangkok to formally meet and brief the ASCOPE chair from PTT of our activities.

But of course, regional cooperation arrangements are only as good as the national capability that underpins them. In Japan, of course – as in the UK – the relevant conventions are signed and arrangements in place to enable the convention requirements to be fulfilled. PAJ Stockpiles are located in six different locations in Japan and further five overseas locations to ensure quick access and in order to minimize the damage from oil contamination due to petroleum spill casualties in tanker accidents. In other countries at high risk of an oil spill owing to E&P activities and shipping routes, great strides are also being made. Indonesia for example is to be congratulated on the recent signing of a Presidential Order on Permanent National Procedures for Emergency Response for Marine Oil Spills. China is amongst other countries, embracing international approaches to strengthen capability and have recently signed with the IMO and IPIECA a statement of intent with China Maritime Safety Agency to extend the goals of the Global Initiative to China.

High-level declarations of this sort are crucial for signalling the will to change and to improve, for galvanising activity at the lower levels that ultimately defines preparedness. Whilst facilitating access for equipment and resources; establishing databases of contacts; refreshing training for responders; organising table-top exercises or establishing and exercising national contingency plans may sound rather prosaic, these are the elements of preparedness that make the OPRC Convention meaningful.

In taking forward the recommendations from the East Asian Seas Workshop, IMO and IPIECA are determined that any future initiatives should build on the work and processes already ongoing at a national and regional level – not least by NOWPAP MERRAC and ASEAN OSRAP.

I mentioned earlier of the joint IMO/IPIECA follow up workshop on oil pollution and preparedness and response that is being held in Perth in March, immediately preceding the Spillcon 2007. This workshop will bring together representatives from the countries in South East Asia and oil and gas companies and associations operating in the region. The workshop will provide an opportunity to identify barriers to effective cooperation and opportunities for the international oil spill community – including the GI partners – to provide targeted support to this important region.

I await the outcomes of the Regional Workshop with interest – and hope to see many of you in Perth! I am delighted to know that our good friends from PAJ have already made plans to attend and, having this morning given some consideration to Global, Regional and National activities ongoing in the region, it seems appropriate to leave you with a further plug for Spillcon 2007. Spillcon in keeping with my theme today will bring together local, regional and global environmental and shipping representatives across industry, government and non-governmental organisations to provide an avenue to discuss issues including cause and prevention, preparedness, response management and environmental issues, and takes as its theme this year 'Global, Regional, Local'

I do thank you for your attention and once again thank you for allowing me to be part of your important symposium.