



# THE WORLD IS ACTING TO PREVENT CATASTROPHIC OIL SPILL IN THE RED SEA

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*Moored off the Red Sea coast of Yemen, the FSO Safer is a rapidly decaying supertanker holding four times the amount of oil the Exxon Valdez spilled. It could break up or explode at any time, unleashing a humanitarian and ecological catastrophe centered on a country already decimated by more than seven years of war. Such a spill would result in lasting environmental damage and profound economic costs across the region. A disruption in shipping through the Bab al-Mandab Strait and the Suez Canal would result in billions of dollars in trade losses every day.*

*Donors have generously pledged \$95 million for the UN-coordinated plan to transfer the oil to a safe long-term replacement vessel. \$74.5 million of the pledges were received by December 2022. However, as the UN geared up for the operation, the prices to charter or purchase a suitable vessel to store the oil surged, chiefly due to factors related to the war in Ukraine. This meant the UN has insufficient funds to both contract the salvage company and procure the vessel to take on the oil. If the funding gap of \$30 million for the emergency phase of the operation is closed quickly, the work can begin in the second quarter of 2023.*

## Background

Constructed in 1976 as a supertanker and converted a decade later to be a floating storage and offloading facility (FSO) for oil, the *Safer* is moored about 4.8 nautical miles off the coast of Hodeidah governorate in Yemen. The vessel holds an estimated 1.14 million barrels of light crude oil.

Production, offloading and maintenance operations on the *Safer* were suspended in 2015 because of the war. The *Safer*'s structural integrity has significantly deteriorated. All assessments indicate that the vessel is beyond repair and at imminent risk of spilling oil. It could break up at any time – or explode because the systems required to pump inert gas into its tanks ceased functioning in 2017. A significant spill would surpass national capacity and resources to effectively respond.

## The costs of a major oil spill

The cost of cleanup alone is estimated at \$20 billion.

A major spill would devastate fishing communities on Yemen's Red Sea coast. Half a million people working in the

fishing industry there have 1.7 million dependents. Two hundred thousand livelihoods could be instantly wiped out. Whole communities would be exposed to life-threatening toxins.

A major oil spill could close the nearby ports of Hodeidah and Saleef – which are essential to bring in food, fuel and lifesaving supplies into a country where 19 million people are in need of food assistance.

The environmental impact of a major spill on water, coral reefs, life-supporting mangroves and other sea life would be severe. Oil could reach the shores of Saudi Arabia, Eritrea, Djibouti and Somalia.

Desalination plants on the Red Sea coast could be closed, cutting off a water source for millions of people. The spill would also produce highly polluted air over a large area.

Vital shipping through the Bab al-Mandab Strait to the Suez Canal could be disrupted for an extended period, costing billions of dollars per day. Tourism would also suffer.



The FSO Safer. 2019. Credit: Holm Akhdar Foundation.

## *UN-coordinated plan to resolve the threat*

In September 2021, United Nations senior management instructed the UN Resident and Humanitarian Coordinator for Yemen, David Gressly, to provide UN system-wide leadership on the FSO *Safer* and coordinate all efforts to prevent the threat and strengthen contingency plans in the event of a catastrophic oil spill. This followed earlier efforts in the highly politicized environment of the conflict. After discussions with relevant stakeholders, the United Nations produced a plan to prevent a spill by transferring the oil to a safe vessel and installing long-term replacement capacity for the *Safer*. The draft UN-coordinated plan was strongly supported by United Nations senior management in December 2021.

The UN has engaged closely with the Government of Yemen in Aden, which has regularly reiterated support for the initiative over the past year.

The Sana'a-based authorities, who control the area where the vessel is located, signed a memorandum of understanding (MoU) with the UN on 5 March 2022, establishing a framework for cooperation in which the Sana'a-based authorities committed to facilitating the success of the project.

The United Nations Development Programme (UNDP) is implementing this complex and high-risk project. The operation on the water comprises two phases:

- An emergency phase, during which a leading global salvage company will inspect the *Safer* and make it safe for the operation, transfer the oil into a replacement vessel, and ready the FSO *Safer* to be towed away; and
- The installation of a catenary anchor leg mooring (CALM) buoy to which the replacement VLCC will be connected as safe long-term replacement capacity for the *Safer*, and the towing and scrapping of the *Safer*.

The most immediate danger of a spill will be prevented during the first phase – once the oil is transferred off the *Safer*.

In September 2022, the Government of Yemen in Aden and Sana'a authorities formally supported the long-term replacement solution proposed by the UN (a VLCC tethered to a CALM buoy system). The parties continue to express that they want the operation on the water to begin as soon as possible.

## *The world is now closer than ever to preventing the catastrophe*

As of 19 February, donors have generously pledged \$95 million (including more than \$12 million from the private sector and \$200,000 through a crowdfunding campaign), of which \$74.5 million has been received.

Preparatory work for the operation began in September 2022 after \$75 million had been pledged. Since then, UNDP has put in place world-renowned technical expertise to prepare for the implementation of the project, including a marine management consultancy firm, maritime legal firm, insurance and ship brokers and oil spill experts. UNDP is also at an advanced stage in contracting the salvage company to carry out the emergency operation. The company is already under contract to produce a detailed operational plan.

However, as the UN was gearing up for the project, the costs to purchase and lease VLCCs surged, chiefly due to factors related to the war in Ukraine. The cost to purchase a suitable VLCC is at least \$20 million more than the original budget estimate.

With offers for potentially suitable vessels on the table in February, the UN was further analyzing the risks, liabilities and indemnities related to the available options. The UN is expected to move ahead with procurement of a vessel in early March.

Donors remain keenly interested in the operation and the UN remains confident the work on the water can begin in the first half of 2023, provide the current financial gap is bridged.

## *The revised budget for the plan reflects the current market conditions*

As outlined in the UN's initial plan in April 2022, the budget for the two-track operation was \$144 million. While the adoption of the CALM buoy solution initially lowered the estimated budget, the rising prices of VLCCs and other factors pushed the working budget higher.

**The current budget gap for the emergency phase of the operation is \$30 million** (against the \$95 million that has effectively been raised).

The UN will continue to fundraise for any gap in the budget for the first phase of the operation and for the critical second phase. The UN is also considering internal means to bridge the financial gap.

## *The United Nations thanks donors for the generous support*



**We also thank the private sector for contributions and the generous individuals that continue to contribute through the crowdfunding campaign for the plan.**

### *For further information, please contact:*

- Russell Geekie, Senior Communications Advisor to the UN Resident and Humanitarian Coordinator for Yemen, [geekie@un.org](mailto:geekie@un.org) +1 347 654 0913
- For UN Development Programme: Dylan Lowthian, [dylan.lowthian@undp.org](mailto:dylan.lowthian@undp.org) +1 646 673 6350