• MAIN ELEMENTS OF DIRECTIVE 2009/119/EC

• AGREEMENT ON THE NEXT STEPS - IN THE LIGHT OF THE 4\textsuperscript{TH} OIL FORUM
AS ENERGY COMMUNITY

YEAR 2011

CRUDE OIL

PETROLEUM PRODUCTS

Million Tonnes

Imported

Processed

Exported

Imported

Consumption

5,9228

11,594

18,1349

6,112

13,5317

23,77

Produced

Imported

Exported

Imported

CONTRACTING PARTIES

Crude Oil Consumption 23.77
Oil Stock-Holding Policies in the Contracting Parties - which reflect differences in oil market structure, geography, and emergency response policy choices

No Stockholding Policy: Bosnia and Herzegovina, Moldova, Montenegro, Kosovo*

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.
ENERGY COMMUNITY

CURRENT OIL STOCKS SITUATION (1)

- One Contracting Party (Croatia) fulfilled the obligation of Oil Stocks in amount of 90 days consumption by 31 July 2012. In overall - achieved in less than 6 years. The final target: To hold all stocks in kind on the territory of Croatia by 31 December 2014

- Three Contracting Parties (Albania, FYR of Macedonia and Serbia) have already the legal frame work in place but need to be amended in compliance with the Directive 2009/119/EC

  ✓ Albania and FYR of Macedonia have both established inter-ministerial working groups which are reviewing the existing legal and institutional framework. The internal adoption deadlines are mid of next year (2013).

  ✓ Serbia – draft Law on oil stocks management is prepared and sent to other Ministries. According to this Draft Law - 1 January 2014 is proposed as a date of starting the process of establishing mandatory oil stocks. Planned to be adopted within 2013

- Two Contracting Parties (Montenegro and Kosovo*) have approved their primary legislation and are in process of drafting the secondary legislation. The current progress is not as it was expected
Two Contracting Parties (Bosnia and Herzegovina, Moldova) do not have currently legal framework in place and therefore do not hold emergency oil stocks

In BiH both entities (Federation of BiH and Republika Srpska) have adopted/ amended the oil and petroleum acts in October 2012. The Commodity Reserves will be in charge for the oil stockholding policy in both Entities

Last but not least - One Contracting Party (Ukraine) currently is preparing a new draft Law in order to ensure compliance with the Directive 2009/119/EC. There are some comments that 20% of emergency oil stocks will be held by the Government and 80% by industry. But nothing is officially presented or discussed with the Secretariat
OIL STOCK-HOLDING POLICY

FUTURE POSSIBILITIES

- FYR of Macedonia (Directorate)
- Serbia (Commodity Reserves)
- BiH (Commodity Reserves)
- Kosovo* (Directorate)
- Ukraine (Naftogaz)

- Agency
  - Albania
  - Croatia – 1 Jan 2015
    - all stocks in kind on their territory
  - Montenegro

- Industry obligation

- Government

- Moldova – not decided yet
Compliance with Directive 2009/119/EC, will mainly require:

- Preparation of an updated road map with concrete tasks (legal, Organisational and Management, Engineering and Stockbuilding)

- Preparing/updating of legal framework on emergency oil stockpiling and national emergency response measures

- Establishing national Central Stockholding Entities (CSE) in accordance to Directive

- Establishing engineering, environmental and logistical works

- Required Investments – how to attract public financing (bilateral donors or international financial institutions)

- Last but not least - establishing oil stocks reporting systems
Preparation of the updated Roadmap:

- Concrete steps and timely implementation of the Directive for each Contracting Party - speedily developed with the Secretariat starting early in 2013

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<td>Develop strategy and organisation for managing stocks</td>
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<td>Build required additional tank capacity</td>
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<td>Arrange financing for purchasing of emergency stocks</td>
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Starting with the analysis of the current legislation in force and transposition of Directive 2009/119/EC into national law within 2013

Considering coordinated assistance from the experienced oil stockholding experts in preparing:

- national legislation on emergency oil stocks
- emergency response systems
The possibilities for joint projects in respect to oil stocks/oil terminals discussed in principal but no concrete proposals presented.

Encouragement to CPs to consider a coordinated approach towards efficient usage of available oil stocks and storage capacities.

Ensuring continuous supply / implementation of oil stocks Directive requires massive investments – but investment currently problematic.

A regional approach needs to attract large-scale investment and avoiding inefficiencies (overlapping actions/infrastructure and double financing).

The regional approach and best practise models from other EU MS should be considered, but fully in compliance and respecting particularities of each Contracting Party.