

Procedure file

Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	2011/0309(COD) Procedure completed
Safety of offshore oil and gas operations Amending Directive 2004/35/EC Amended by	2002/0021(COD) 2016/0375(COD)
Subject	
3.60.02 Oil industry, motor fuels	
3.60.03 Gas, electricity, natural gas, biogas	
3.70.05 Marine and coastal pollution, pollution from ships, oil pollution	
3.70.10 Man-made disasters, industrial pollution and accidents	
3.70.16 Law and environment, liability	
4.15.15 Health and safety at work, occupational medicine	

Key players				
European Parliament	Committee responsible	Rapporteur	Appointed	
	ITRE Industry, Research and Energy		24/01/2012	
		PPE BELET Ivo		
		Shadow rapporteur		
		S&D SKINNER Peter		
		ALDE HALL Fiona		
		Verts/ALE RIVASI Michèle		
	ECR FORD Vicky			
	Committee for opinion	Rapporteur for opinion	Appointed	
BUDG Budgets		The committee decided not to give an opinion.		
EMPL Employment and Social Affairs		The committee decided not to give an opinion.		
ENVI Environment, Public Health and Food Safety (Associated committee)			10/01/2012	
		S&D PALECKIS Justas Vincas		
JURI Legal Affairs (Associated committee)			19/12/2011	
		Verts/ALE LICHTENBERGER Eva		
Council of the European Union	Council configuration	Meeting	Date	
	Transport, Telecommunications and Energy	3243	06/06/2013	
	Transport, Telecommunications and Energy	3224	22/02/2013	
	Transport, Telecommunications and Energy	3204	03/12/2012	
	Transport, Telecommunications and Energy	3127	24/11/2011	
European Commission	Commission DG	Commissioner		

Key events

27/10/2011	Legislative proposal published	COM(2011)0688	Summary
17/11/2011	Committee referral announced in Parliament, 1st reading		
24/11/2011	Debate in Council	3127	Summary
24/05/2012	Referral to associated committees announced in Parliament		
03/12/2012	Debate in Council	3204	
19/03/2013	Vote in committee, 1st reading		
25/03/2013	Committee report tabled for plenary, 1st reading	A7-0121/2013	Summary
20/05/2013	Debate in Parliament		
21/05/2013	Results of vote in Parliament		
21/05/2013	Decision by Parliament, 1st reading	T7-0200/2013	Summary
06/06/2013	Act adopted by Council after Parliament's 1st reading		
12/06/2013	Final act signed		
12/06/2013	End of procedure in Parliament		
28/06/2013	Final act published in Official Journal		

Technical information

Procedure reference	2011/0309(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
	Amending Directive 2004/35/EC 2002/0021(COD) Amended by 2016/0375(COD)
Legal basis	Treaty on the Functioning of the EU TFEU 192-p1
Other legal basis	Rules of Procedure EP 165
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/7/07802

Documentation gateway

Legislative proposal		COM(2011)0688	27/10/2011	EC	Summary
Document attached to the procedure		SEC(2011)1292	27/10/2011	EC	
Document attached to the procedure		SEC(2011)1293	27/10/2011	EC	
Document attached to the procedure		SEC(2011)1294	27/10/2011	EC	
Economic and Social Committee: opinion, report		CES0484/2012	22/02/2012	ESC	
Committee draft report		PE491.285	21/06/2012	EP	
Amendments tabled in committee		PE494.690	06/09/2012	EP	
Committee opinion	JURI	PE492.595	19/09/2012	EP	
Committee opinion	ENVI	PE491.315	24/09/2012	EP	
Committee report tabled for plenary, 1st reading/single reading		A7-0121/2013	25/03/2013	EP	Summary
Text adopted by Parliament, 1st reading/single reading		T7-0200/2013	21/05/2013	EP	Summary
Draft final act		00008/2013/LEX	12/06/2013	CSL	
Commission response to text adopted in plenary		SP(2013)473	26/06/2013	EC	
Follow-up document		COM(2015)0422	14/09/2015	EC	Summary
Follow-up document		SWD(2015)0167	14/09/2015	EC	
Follow-up document		COM(2016)0318	31/05/2016	EC	Summary
Follow-up document		SWD(2016)0182	01/06/2016	EC	
Follow-up document		COM(2017)0655	08/11/2017	EC	Summary
Follow-up document		COM(2018)0595	17/08/2018	EC	Summary
Follow-up document		COM(2019)0358	30/07/2019	EC	Summary
Follow-up document		COM(2020)0263	25/06/2020	EC	
Follow-up document		COM(2020)0732	16/11/2020	EC	
Follow-up document		SWD(2020)0269	16/11/2020	EC	
Follow-up document		COM(2021)0585	24/09/2021	EC	
Follow-up document		COM(2022)0417	26/08/2022	EC	
Follow-up document		COM(2023)0247	12/05/2023	EC	
Follow-up document		COM(2024)0187	17/05/2024	EC	

Additional information

National parliaments

[IPEX](#)

European Commission

[EUR-Lex](#)

Final act

[Directive 2013/30](#)

Safety of offshore oil and gas operations

PURPOSE: to reduce the occurrence of major accidents related to offshore oil and gas activities and to limit their consequences.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

BACKGROUND: the magnitude and characteristics of accidents affecting offshore oil and gas operations (for example, Deepwater Horizon in the US in 2010, Montara in Australia in 2009, Usumacinta in Mexico in 2007) which have been reported worldwide, including the Union, demand action.

Studies, stakeholder consultations and risk analyses conducted since 2010 have identified the main problems for the Union as:

- The risk of a major offshore oil or gas accident occurring in Union waters is significant and the existing fragmented legislation and diverse regulatory and industry practices do not provide for all achievable reductions in the risks throughout the Union.
- The existing regulatory framework and operating arrangements do not provide for the most effective emergency response to accidents wherever they occur in Union waters, and the liabilities for clean-up and conventional damages are not fully clear.

Based on frequency analysis of industry performance in Europe to date and on documented costs of past accidents, the estimated average annual economic losses and damage from offshore oil and gas accidents in the Union range from EUR 205 million to EUR 915 million. This range is used as the empirical basis of baseline risk in the impact assessment. It is estimated that the benefits accruing to the Union and Member States significantly outweigh the costs of introducing higher standards.

According to the Commission, the control of major hazard risks in the offshore industry needs to be raised to consistently high standards throughout the Union. Four specific objectives need to be pursued:

- 1) Ensure a consistent use of best practices for major hazards control by oil and gas industry offshore operations potentially affecting Union waters or shores;
- 2) Implement best regulatory practices in all European jurisdictions with offshore oil and gas activities;
- 3) Strengthen Union's preparedness and response capacity to deal with emergencies potentially affecting Union citizens, economy or environment;
- 4) Improve and clarify existing Union liability and compensation provisions.

IMPACT ASSESSMENT: in addition to the reference option which would preserve the status quo (Option 0), four strategic options were evaluated:

- Option 1 ("North Sea basic") is the basic level for meaningful Union intervention. It introduces in Union law the Major Hazards Report (MHR) based upon the safety and health document required by Directive 92/91/EC but goes further in requiring the regulator to be satisfied with it prior to starting operations. An inspections and penalties regime would be required to underpin the measures described in the MHR. Option 1+ ("North Sea +") goes further by introducing soft law guidelines for tightening consideration of the technical capacity of applicants for offshore oil and gas licenses;
- Option 2 ("Union Best practice") develops further the reforms of option 1+ in a comprehensive package. Recognised global best practice in major hazard risk control would be mandated, and environmental risk assessment would be incorporated into the MHR. Also, best regulatory practice and required organisational standards would be introduced in arrangements for national competent authorities;
- Option 3 ("EU Agency") further reinforces the impact of Option 2 by introducing an Union agency to institutionalise and thereby consolidate the reforms achieved by option 2. It would undertake inspections and investigations, monitor and enforce consistency in performance, develop intervention capacity and assist capacity building in adjacent non Union countries.

The preferred policy option is Option 2, i.e. a comprehensive offshore reform raising throughout Union, through new law, the level of risk management and emergency preparedness in the offshore industry. The cost of the proposed measures (EUR 134 140 million/year) is modest when compared with the risk reduction that they would guarantee (EUR 103-455 million/year).

LEGAL BASIS: Article 192 of the TFEU (Environment) for its environmental protection purposes and Article 194 (Energy) for minimising adverse effects on Union security of energy supply and the functioning of the internal energy market.

CONTENT: the proposed regulation creates duties for operators, Member States and the Commission as follows.

Operator:

- the Operator is to organise his activities around a best practice model; prepare a major hazards report (MHR) and to submit this to the competent authority for assessment. In addition, the Operator is to submit a notification for each well operation to the regulator;
- for both MHR's and well notifications, independent verification of the safety critical elements is required;
- Operators will prepare internal emergency response plans; promote interoperability and compatibility of response assets and report incidents and other specified information to the relevant Member State in a standard format;
- Union-based major companies would commit to demonstrating Union offshore safety standards wherever they work overseas.

Member States: Member States licensing authorities would assess in an appropriate manner the potential safety and environmental performance (and financial capacity to deal with safety failures) of applicants when considering awards for exploration or production licenses.

Member States:

- would establish competent authorities for supervision of safety, environmental protection and emergency preparedness and introduce

- robust standards for inspection and investigation, underpinned with appropriate penalties for breaches of duty by operators;
- will make information routinely available concerning their offshore sectors, and report all major incidents and lessons learned to the Commission;
- will prepare external emergency response plans, in collaboration with adjacent Member States.

Measures will be taken to ensure interoperability of expertise and physical assets to support cross Union intervention including by EMSA. Member States and the industry will prepare and periodically test emergency response plans.

Commission: the Commission is to establish an EU Offshore Authorities Group with representatives from the competent authorities responsible for offshore oil and gas activities in Union Member States. The Commission is to amend Environmental Liability Directive (2004/35/EC) within the regulation.

BUDGETARY IMPACT: the budgetary implication of the proposal is approx EUR 2.5 million in the period 2013-2016, including compensations for committee participation.

DELEGATED ACTS: the proposal contains provisions empowering the Commission to adopt delegated acts in accordance with Article 290 of the Treaty on the Functioning of the European Union.

Safety of offshore oil and gas operations

In a public session, information on a proposal for a regulation on safety of offshore oil and gas prospecting, exploration and production activities was presented to the Council. This new proposal, adopted by the Commission in October, is aimed at reducing the risk of a major accident in the EU offshore oil and gas sector and limiting the consequences should such an accident nonetheless occur.

In response to the Deepwater Horizon drilling rig disaster in the Gulf of Mexico in April 2010, the Commission presented its communication, "[Facing the challenge of the safety of offshore oil and gas activities](#)". The communication indicated first areas for action at EU level including revision of existing legislation as well as new proposals.

Building on this communication, in December the Council adopted conclusions on the safety of offshore oil and gas activities setting out a way forward for possible further action in relation to offshore exploration and production of hydrocarbons, notably to ensure the highest possible level of safety and protection of the environment as well as provisions for liability.

Safety of offshore oil and gas operations

The Committee on Industry, Research and Energy adopted the report by Ivo BELET (EPP, BE) on the proposal for a regulation of the European Parliament and of the Council on safety of offshore oil and gas prospecting, exploration and production activities.

The Committee on the Environment, Public Health and Food Safety, exercising its prerogatives as an associated committee in accordance with [Article 50](#) of the Rules of Procedure of the European Parliament, has also been consulted for an opinion on the report.

The two committees recommend that the position of the European Parliament adopted in first reading following the ordinary legislative procedure should amend the Commission proposal as follows:

Legal form: Members suggest amending the legal basis of the proposed act by replacing the proposed Regulation with a proposed Directive of the European Parliament and of the Council on safety of offshore oil and gas operations and amending Directive 2004/35/EC. This Directive establishes minimum requirements for preventing major accidents and limiting the consequences of major accidents in offshore oil and gas operations.

Safety and environmental considerations relating to licences: when assessing the technical and financial capability of the applicant for a licence to carry out offshore oil and gas operations, due account shall be taken of the following:

- the risk, the hazards and any other relevant information related to the applicant and the licensed area concerned;
- the applicant's financial capabilities, including any financial security, to cover liabilities potentially deriving from the offshore oil and gas operations in question; this shall include liability for potential economic damages where such liability is provided for by national law;
- the available information relating to safety and environmental performance of the applicant, including with regard to major incidents.

Member States shall ensure that the licensing authority does not grant a license unless it is satisfied that the applicant has provided evidence that adequate provision has been or will be made on the basis of arrangements to be decided by Member States, to cover liabilities potentially deriving from its offshore oil and gas operations.

Public participation : the drilling of an exploration well from a non-production installation shall not be commenced unless the relevant authorities of the Member State have previously ensured that early and effective public participation on the possible effects of planned offshore operations.

Liability for environmental damage : without prejudice to the existing scope of liability relating to the prevention and remediation of environmental damage pursuant to Directive 2004/35/EC, Member States shall ensure that the licensee is financially liable for the prevention and remediation of environmental damage as defined in that Directive, caused by offshore oil and gas operations carried out by, or on behalf of, the licensee or the operator.

Independence of authorities : Members consider that it is crucial it is to ensure the independence of the authorities responsible for assessing the safety and environmental risks of operations, from those competent for issuing the drilling authorisations.

Implications of the European Maritime Security Agency (EMSA) : the Agency has the obligation to ensure a high and effective level of maritime safety, maritime security, prevention of, and response to, pollution caused by ships as well as response to marine pollution caused by oil and gas installations. In order to secure this objective, the Agency should assist Member States and the Commission in detecting and monitoring the extent and environmental impact of an oil spill and safety risks from installations or vessels operating around them; upon request from

Member States, assist those Member States with remediation and clean-up efforts and coordinate transboundary emergency response following a major accident, including in the case of transboundary impacts beyond Union waters.

Documents to be submitted for undertaking offshore oil and gas operations and operating installations: according to the amended text, Member States shall ensure that the operator or the owner of a non-production installation submits to the competent authority a copy or an adequate description of the corporate major accident prevention policy, the company safety and environmental management system applicable to the installation, a report on major hazards before the planned commencement of the operations.

Member States shall ensure that workers' representatives are consulted at the relevant stages in the preparation of the report on major hazards for a production installation, and that evidence is provided to this effect.

Internal and external emergency response plans: Member States shall ensure that operators prepare internal emergency response plans taking into account the major accident risk assessment undertaken during preparation of the most recent report on major hazards. This shall include an analysis of the oil spill response effectiveness.

Member States shall prepare external emergency response plans covering all offshore oil and gas installations or connected infrastructure and potentially affected areas within their jurisdiction. Member States shall specify the role and financial obligation of licensees and operators in the external emergency response and include reference to such information in the external emergency response plans.

Independent verification: Member States shall ensure that the operator or the owner of a non-production installation submits to the competent authority a description of the scheme of independent verification. Member States shall ensure that operators and owners of non production installations respond to and take appropriate action based on the advice of the independent verifier.

Major accident prevention by operators and owners of non-production installations : the major accident prevention policy shall take account of the operators' primary responsibility for, inter alia, the control of major hazard risks, which are a result of its operations and for continuously improving control of said risks so as to ensure a high level of protection at all times. Operators should ensure they have access to sufficient physical, human and financial resources to minimise and rectify the impact of a major accident. The major accident prevention policy shall be in writing and shall establish the overall aims and organisation for control of major accident hazards, and how these arrangements are put into effect at corporate level. Member States shall ensure that operators and owners of non-production installations prepare and maintain a complete inventory of emergency response equipment pertinent to their offshore oil and gas operation.

Cross-border effects : in the event of a major accident, the competent authority of the Member State in whose waters the accident has occurred shall, without delay, notify the Commission, other concerned Member States and their competent authorities and the public concerned about the accident and the steps being taken to limit the effects on the environment and human health. It shall submit, before the start of the operation, useful information to the Member States likely to be affected.

Cooperation between Member States: the Member State shall ensure that its competent authority regularly exchanges knowledge, information and experience with other competent authorities inter alia through the European Union Offshore Oil and Gas Authorities Group (EUOAG), and that it engages in consultations on the application of relevant national and Union legal frameworks with the industry, other stakeholders and the Commission.

Coordinated approach at international level: the Commission should : (i) encourage cooperation with third countries that undertake offshore oil and gas operations in the same marine regions as Member States ; (ii) facilitate the exchange of information in order to promote preventive measures and regional emergency response plans ; (iii) promote high safety standards for offshore oil and gas operations at international level in relevant global and regional fora.

Safety of offshore oil and gas operations

The European Parliament adopted by 572 votes to 103 with 13 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council on safety of offshore oil and gas prospection, exploration and production activities.

Parliament adopted its position in first reading following the ordinary legislative procedure. The amendments adopted in plenary are the result of a compromise between Parliament and Council. They amend the Commissions proposal as follows:

Legal form: the proposed Regulation is replaced with a Directive of the European Parliament and of the Council on safety of offshore oil and gas operations and amending Directive 2004/35/EC. This Directive establishes minimum requirements for preventing major accidents and limiting the consequences of major accidents in offshore oil and gas operations.

Prevention of major accidents: Member States shall ensure that operators take adequate measures to prevent major accidents on offshore oil and gas operations. In case of a major accident, operators must ensure they have access to sufficient physical, human and financial resources to prevent major accidents and limit the consequences of such accidents.

Financial capacity of an applicant: decisions on licences to carry out operations must take into account the financial capability of the applicant for a licence, including any financial security, to cover liabilities potentially deriving from the offshore oil and gas operations in question. This includes liability for potential economic damages where such liability is provided for by national law.

The licensing authority must not grant a license unless it is satisfied that the applicant has provided evidence that adequate provision has been or will be made to cover liabilities potentially deriving from its offshore oil and gas operations.

Independence of authorities: Members consider that it is crucial it is to ensure the independence of the authorities responsible for assessing the safety and environmental risks of operations, from those competent for issuing the drilling authorisations.

Documents to be submitted for undertaking operations: according to the amended text, the operator or the owner of a non-production installation must submit to the competent authority a copy of the corporate major accident prevention policy, the company safety and environmental management system applicable to the installation, a report on major hazards before the planned commencement of the operations.

Workers' representatives must be consulted at the relevant stages in the preparation of the report on major hazards.

Internal and external emergency response plans: operators must prepare internal emergency response plans taking into account the major accident risk assessment undertaken during preparation of the most recent report on major hazards. This shall include an analysis of the oil spill response effectiveness.

Member States shall prepare external emergency response plans covering all offshore oil and gas installations or connected infrastructure and potentially affected areas within their jurisdiction. They shall specify the role and financial obligation of licensees and operators in the external emergency response and include reference to such information in the external emergency response plans.

Independent verification: the operator or the owner of a non-production installation must submit to the competent authority a description of the scheme of independent verification. Operators and owners of installations must respond to and take appropriate action based on the advice of the independent verifier.

Public participation: the text provides that the drilling of an exploration well from a non-production installation shall not be commenced unless the relevant authorities of the Member State have previously ensured that early and effective public participation on the possible effects of planned offshore operations.

Implications of the European Maritime Security Agency (EMSA): the Agency should assist Member States at their request in: (i) detecting and monitoring the extent of an oil or gas spill; (ii) the preparation and execution of external emergency response plans, especially when there are transboundary impacts beyond offshore waters of Member States.

Cooperation between Member States: competent authorities must regularly exchange knowledge, information and experience with other competent authorities inter alia through the European Union Offshore Oil and Gas Authorities Group (EUOAG), and engage in consultations with industry, other stakeholders and the Commission.

Cross-border effects: in the event of a major accident, the competent authority of the Member State in whose waters the accident has occurred shall, without delay, notify the Commission, other concerned Member States and their competent authorities and the public concerned about the accident and the steps being taken to limit the effects on the environment and human health. It shall submit, before the start of the operation, useful information to the Member States likely to be affected.

Trans boundary effects: where a Member State considers that a major hazard relating to offshore oil and gas operations that are to take place under its jurisdiction is likely to have significant effects on the environment in another Member State, it shall, prior to the commencement of operations, forward the relevant information to the potentially affected Member State and shall endeavour, jointly with that Member State, to adopt measures to prevent damage.

Coordinated approach at international level: the Commission should: (i) encourage cooperation with third countries that undertake offshore oil and gas operations in the same marine regions as Member States; (ii) facilitate the exchange of information in order to promote preventive measures and regional emergency response plans; (iii) promote high safety standards for offshore oil and gas operations at international level in relevant global and regional fora.

Arctic: bearing in mind that Arctic waters play an important role in mitigating climate change, Member States who are members of the Arctic Council are encouraged to actively promote the highest standards with regard to environmental safety in this vulnerable and unique ecosystem, such as through the creation of international instruments on prevention, preparedness and response to Arctic marine oil pollution.

Application and transposition: landlocked Member States will not have to transpose the majority of provisions of the Directive. However, where a company that is active, itself or through subsidiaries, in offshore oil and gas operations outside the Union is registered in a landlocked Member State, that Member State should request that company to provide a report on accidents occurring in such operations, which can be shared at Union level.

Safety of offshore oil and gas operations

PURPOSE: to reduce the occurrence of major accidents relating to offshore oil and gas operations and to limit their consequences.

LEGISLATIVE ACT: Directive 2013/30/EU of the European Parliament and of the Council on safety of offshore oil and gas operations and amending Directive 2004/35/EC.

CONTENT: the Directive lays down minimum requirements for preventing major accidents in offshore oil and gas operations and limiting their consequences, thus increasing the protection of the marine environment and coastal economies against pollution. To this end, it establishes minimum conditions for safe offshore exploration and exploitation of oil and gas and improves the response mechanisms in case of an accident.

This Directive should apply not only to future offshore oil and gas installations and operations but, subject to transitional arrangements, also to existing installations.

The main provisions of the Directive are as follows:

Prevention of major accidents: offshore oil and gas operations should be conducted only by operators appointed by licensees or licensing authorities.

Operators shall be required to ensure that all suitable measures are taken to prevent major accidents in offshore oil and gas operations and that these operations are carried out on the basis of systematic risk management.

Technical and financial capability of the licensee: when examining authorisations for operations, the assessment must take account of the financial capability of the applicant, including any financial security, to cover liabilities potentially deriving from the offshore oil and gas operations in question including liability for potential economic damages where such liability is provided for by national law.

Applicants shall be required to provide evidence of technical and financial capacity and any other relevant information relating to the area covered by the licence and the particular stage of the offshore oil and gas operations.

Independence of the authorities: the Directive contains provisions that seek to ensure the independence and objectivity of the competent authority. To prevent conflicts of interest, Member States shall ensure that there is a clear separation between, on the one hand, regulatory

functions and associated decisions relating to offshore safety and the environment and, on the other, regulatory functions relating to economic development, including licensing and revenues management.

Preparing and carrying out offshore operations: the operator or the owner submit to the competent authority documents concerning the corporate major accident prevention policy, the safety and environmental management system applicable to the installation, as well as a report on major accident hazards before the envisaged start of operations.

Workers' representatives shall be consulted at the relevant stages in the preparation of the report on major hazards.

Internal and external emergency response plans: operators shall prepare internal emergency response plans taking into account the major accident risk assessment undertaken during preparation of the most recent report on major hazards. The plan shall include an analysis of the oil spill response effectiveness.

Member States shall prepare external emergency response plans covering all offshore oil and gas installations or connected infrastructure and potentially affected areas within their jurisdiction.

Independent verification: operators and owners shall establish schemes for independent verification. They shall respond to and take appropriate action based on the advice of the independent verifier.

Public participation: the Directive stipulates that the drilling of an exploration well from a non-production installation shall not be commenced unless the relevant authorities of the Member State have previously ensured that early and effective public participation on the possible effects of planned offshore oil and gas operations on the environment.

Transparency and sharing of information: the Directive also lays down rules on transparency and the sharing of information, cooperation between the Member States, emergency preparedness and response, including in the case of cross-border emergencies.

The Commission shall promote cooperation with third countries that undertake offshore oil and gas operations in the same marine regions as Member States and work towards promoting high safety standards for offshore oil and gas operations at international level.

Arctic waters: the Directive stresses that the major environmental problems require special attention to ensure the environmental protection of the Arctic in relation to any offshore oil and gas operation, including exploration, taking into account the risk of major accidents and the need for effective response.

Report and review: the Commission shall, by 31 December 2014, submit to the European Parliament and to the Council a report on the availability of financial security instruments, and on the handling of compensation claims, where appropriate, accompanied by proposals. It shall present its evaluation of the implementation of the Directive no later than 19 July 2019.

ENTRY INTO FORCE: 18/07/2013.

TRANSPOSITION: 19/07/2015.

Landlocked Member States shall not be obliged to bring into force the majority of the provisions of the Directive.

DELEGATED ACTS: the Commission is empowered to adopt delegated acts in order to adapt the Directive to technical progress. The power to adopt such acts is conferred on the Commission for a period of five years (renewable) from 18 July 2013. The European Parliament or the Council may express an objection to a delegated act within two months of its notification (this period may be extended by a further two months). The delegated act does not enter into force if Parliament or the Council expresses an objection.

Safety of offshore oil and gas operations

The Commission presented a report on liability, compensation and financial security for offshore oil and gas operations pursuant to Directive 2013/30/EU on the safety of offshore oil and gas operations (the Offshore Safety Directive or OSD). The OSD defines the elements of such a comprehensive EU-wide framework for preventing major accidents and limiting their consequences.

This report provides an overview how liability for damage from offshore accidents in oil and gas prospecting, exploration and production is addressed in the EU. In effect, it analyses how Europe deals with a series of societal dilemmas arising in relation to offshore oil and gas:

- who is liable for what kinds of damage and loss to whom;
- how to ensure that liable parties have sufficient financial capacity to provide rightful compensation for the damage and loss they are liable for;
- how compensation should be disbursed so that it reaches legitimate claimants quickly and the risks of cascading impacts to the broader economy are minimised.

Liability regimes: whilst there are national differences in the way liability regimes govern access to justice for victims of offshore accidents, the Commission stated that no clear case can be made at the present time that any of the current approaches to civil liability in the Focal States is less effective in reinforcing the OSD's aim of ensuring the safety of offshore oil and gas operations across the EU.

The report highlighted the following aspects:

- the transposition of the OSD in national law will prompt Member States to explore in which ways their liability rules will best protect general public interest in line with the compensation requirements of the OSD;
- in certain cases, the [Brussels I](#) and [Rome II](#) regulations prevent differences in national regimes from disadvantaging claimants from other EU Member States;
- in addition, some Member States may be reappraising their existing liability regimes for offshore accidents in tandem with other changes introduced by the OSD.

The effects of the OSD, as implemented by Member States, will show in the coming years whether it is appropriate to bring certain conduct leading to major offshore accidents within the scope of criminal law for further re-enforcing offshore safety. When appropriate, the Commission will put forward a legislative proposal.

Broadening liability provisions through EU legislation does not appear appropriate at this juncture according to the Commission. However, the Commission will be able to conclude on the need for further steps by the time of the OSD's first implementation report.

Notably, the Commission can:

- continue to advance liability issues through structured EUOAG discussions;
- focus on liability-related provisions in the OSD conformity checks;
- use EUOAG meetings for systematic data gathering covering all liability-related aspects of newly transposed laws.

Financial security and compensation mechanisms: the report noted that there is broad variety of financial security products available to hedge oil and gas companies operating risk. These range from self-insurance options, to third-party insurance, to mutual schemes such as the Offshore Pollution Liability Association Ltd (OPOL), to alternative risk transfer mechanisms and others.

Whilst not all of these products may currently be in widespread use by the offshore industry, the marketplace for financial security instruments appears to have the depth and innovation necessary to cater to all oil and gas companies operating under the current EEA liability obligations.

There is currently a lack of uptake of financial security instruments to fully cover the more infrequent and costly offshore accidents in the EEA. In addition, there are just two compensation mechanisms currently in place specifically for oil and gas accidents in the Focal States.

However, provisions in the OSD should lead to significant improvements in both of these areas. Such anticipated changes should be seen following the July 2015 implementation deadline for the OSD and the implementation of the Offshore Protocol of the Barcelona Convention.

Should the new national laws not improve the availability of financial security instruments and put in place procedures for ensuring prompt and adequate handling of compensation claims, the Commission will reassess whether and what further EU action could achieve these objectives.

The Commission encourages Member States to share their experiences on financial security instruments, liability, compensation and criminal penalties, first of all, in the framework of the European Offshore Authorities Group.

After the implementation of the Directive and based on experiences of Member States working with the new legal basis the Commission may update its assessment as provided by this report.

Safety of offshore oil and gas operations

The Commission presented a report on the adequacy of national expert resources for complying with the regulatory functions of Directive 2013/30/EU on safety of offshore oil and gas operations (OSD).

To comply with OSD's requirements from July 2015, each Member State must have established an authority ("competent authority"), which can carry out the regulatory functions required of the Member States pursuant to the Directive. Such an authority must be endowed, on an organisational level, with policies, procedures and processes, a range of technical and regulatory competences (specific to the offshore sector) as well as arrangements with stakeholders to carry out the regulatory functions effectively.

The Commission has not yet finalised its assessment whether national legislation of Member States is fully in line with the OSD. Appropriate staffing and administrative capacity of authorities remain a key element for carrying out all tasks for ensuring a high level of safety of offshore oil and gas operations.

The Commission worked closely with Member States in 2013 and 2014, mainly in the context of the EU Offshore Authorities Group (EUOAG), in order to assess their available resources and their plans for further capacity building of their competent authorities.

Member States oil and gas installation and activities: based on the size of the offshore industry i.e. number of offshore installations, the Member States can be divided into three groups:

Group 1 - Croatia, Denmark, Italy, Netherlands, United Kingdom - includes the Member States with high numbers of oil and gas production installations:

- the estimated overall requirement for offshore technical and regulatory resource in 2016 for Group 1 Member State's competent authorities is around 288 FTE (full time equivalents) and the total numbers of proposed offshore technical and regulatory expertise available in 2016 is shown to be almost the same;
- on average, a 10 - 20% increase in the number of required staff is needed between 2014 and 2016. There are, however, noticeable shortfalls in the technical categories of diving (-17.5%), pipelines (-12.8%), mechanical (-10%), electrical (-9%), structural engineering (-25%) and naval architecture (-60%);
- at the EUOAG, all Member States of this group have indicated difficulties in recruitment of such qualified offshore technical competences for various reasons including competitive salary and availability of the desired skills.

Group 2 - Bulgaria, Germany, Greece, Ireland, Poland, Romania and Spain are Member States that have low numbers of installations:

- the estimated overall requirement for offshore technical and regulatory resources is around 50 FTE. The total numbers of offshore technical and regulatory expertise is shown to be significantly positive i.e. more than 50 FTE, due to significant resources of one Member State of this group across the technical disciplines;
- most of the shortfalls are less than one FTE. The most significant shortages identified are in Regulatory Specialists & Safety Management Systems. Further training or development may address this issue.

Group 3 - Cyprus, France, Malta, Portugal contains Member States that have no production installations but planned or foreseeable exploration activities:

- the estimated overall requirement for offshore technical and regulatory resources in Group 3 Member State's competent authority is around 16 FTE;
- generally, smaller competent authorities have gaps in the range of offshore competences available within their organisation, e.g. in particular process engineering, environmental protection specialists, diving;
- most Member States competent authorities indicated possible agreements with other competent authorities for sharing competences

to address such small shortfalls, which would be an acceptable solution.

Main conclusions: the Commission notes that offshore oil and gas operations in certain areas of the EU, such as the North Sea, are likely to decline due to the substantial downturn of oil prices.

Less offshore operations may reduce the projected workload for competent authorities and their need for resources. The shortfalls determined on the basis of the earlier survey may be less pronounced than formerly expected.

Need for additional resources: the comparison between estimated needs and polled actual situation shows shortfalls across the EU in 2014 of around 10%. Shortfalls for certain disciplines could increase without adequate action by Member States. These predicted gaps varied by Member State.

Member States are aware that a strengthening of resources is necessary and plan to recruit and train staff. If Member States recruit in line with their plans, most disciplines appear well sourced and a clear gap may only develop in the category for diving (-21%), mechanical engineering (-8%), emergency response (-14%) and naval architecture (-14%).

Adequate financial resources are necessary to recruit qualified staff and to train new recruits in areas for which qualified persons are not available.

Defining an operational strategy: apart from determining targets for resources, an operational strategy for meeting them, broken down in milestones and actions, should contribute to address any shortfalls in 2016. A wide range of options on which these strategies may be based on is available, and includes: (i) sources for recruitment of specialists, (ii) collective and shared training (iii) bilateral/multilateral expert transfer, and (iv) knowledge sharing and networks of external expertise.

- Group 1 Member States competent authorities should avoid any shortfall of competences. Apart from the human resource component they need to optimise regulatory processes and associated systems.
- Group 2 and Group 3 Member States competent authorities are likely to have shortfalls in a number of offshore disciplines in 2016. In this context, Member States may consider sharing and pooling of resources within a networking arrangement.

Cooperation: lastly, the European Union Offshore Authorities Group could contribute to the required co-operation between Member States and the Commission to develop instruments to facilitate sharing and pooling of staff, in particular for the benefit of the smaller emerging competent authorities.

Safety of offshore oil and gas operations

The Commission presented a report on the exercise of the power to adopt delegated acts conferred on the Commission pursuant to Directive 2013/30/EU on safety of offshore oil and gas operations.

Directive 2013/30/EU seeks to achieve a high safety level for carrying out these operations.

The Directive empowers the Commission to adopt delegated acts in view of adapting Annexes I, II, VI and VII to include additional information which may become necessary in light of technical progress.

The power to adopt delegated acts is conferred on the Commission for a period of five years from 18 July 2013. The delegation of power shall be automatically extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension.

Given the fact that the Offshore Safety Directive became applicable from 19 July 2013, that Member States had to implement the Directive by 19 July 2015, and that there are transitional periods postponing the Directive's application for certain installations until 19 July 2018, the Commission has not yet considered it necessary or appropriate to adapt its Annexes I, II, VI or VII to technical progress.

However, the Commission considers it necessary to extend the empowerment in view of the dynamic technical developments in the offshore sector, and of the limited time yet passed to gain practical experience regarding the application of the annexes.

Safety of offshore oil and gas operations

As required by Directive 2004/35/EC (Offshore Safety Directive), the Commission presents its annual report on the safety of offshore oil and gas operations in the European Union for 2016, based on reports from Member States. Its purpose is to provide data on the number and type of installations in the EU and to provide information on incidents and the safety performance of offshore oil and gas operations. Since this is the first annual report on this subject, a comparison with preceding years and conclusions on EU safety trends are not yet possible.

The main points in the report are the following:

Installations and production:

- North Sea: the vast majority of offshore installations in EU waters are located in the United Kingdom and in the Netherlands (approximately 38 % and 26 % of offshore installations in EU waters respectively).
- Mediterranean: Italy is the most active Member State followed by Croatia.
- Black Sea region: Romania has an offshore oil and gas industry and Bulgaria has commenced exploration activities for offshore oil and gas.
- Baltic Sea: only Poland is reported to produce oil and gas offshore in this area.

Approximately 94 % of the EU's domestic oil and gas is produced in the North Sea and Atlantic region. The United Kingdom is by large the most important contributor followed by the Netherlands and Denmark. Whereas Italy and Croatia are active producers in the Mediterranean Sea, only Romania currently has a noticeable oil and gas output in the Black Sea

Offshore investigations: following serious incidents, two Member States have carried out investigations during the reporting period:

- the United Kingdom (21 for safety and environmental concerns, 1 for a major accident) and
- the Netherlands (1 for a major accident).

Enforcement actions: the United Kingdom has taken 7 enforcement actions, mainly improvement notices, for the 129 installations included in this part of its report (out of 225 installations), the Netherlands 2 (administrative fines) and Ireland 1.

Incident data: the United Kingdom, the Netherlands and Denmark reported incidents:

- United Kingdom: 27 reportable events including one major accident; the UK's report covers 129 installations out of a total of 225. In its annual report, the UK did not submit additional details on the major accident, which was still under investigation;
- the Netherlands: 13 reportable events, including one major accident. The causes of the major accident were procedural/organisational errors and an operational error;
- Denmark: 2 reportable events and no major accident.

Of the reportable events, the majority fell into the category of unintended releases (59.5 % of the total), 26.2 % concerned the loss of well control (blowout/diverter activation), 7.1 % failures of safety and environmental critical elements (and 4.8 % loss of structural integrity). One incident required the evacuation of personnel.

The Commission concludes that the European offshore oil and gas industry appears to have demonstrated an adequate level of safety, taking into account the figures provided and taking note of the low number and low level of severity of accidents reported. It states that this conclusion is in line with the assessment by national competent authorities, for example the UK, which reports a decline in dangerous occurrences and in the frequency of reportable injuries in relation to hours worked. Specifically, the Commission takes note that no fatalities were reported for 2016. Future reports, comparisons between years and the monitoring of trends will show whether the offshore sector can maintain this level of safety or make further progress.

Safety of offshore oil and gas operations

In accordance with Directive 2013/30/EU amending Directive 2004/35/EC (Offshore safety Directive), the Commission has presented its second annual report on the safety of offshore oil and gas operations in the European Union (EU), on the basis of Member States' reports.

As in the report for 2016, the purpose of this annual report is: (i) to provide data on the number and type of installations in the EU; and (ii) to give information about incidents on and the safety performance of offshore oil and gas operations. In the coming years, when additional reports are available, the series of annual reports will serve as a record of safety performance in Member States offshore oil and gas activities.

The figures provided by Member States, specifically on the number and severity of accidents reported in relation to the number of installations, indicate that the European offshore sector also demonstrated a good safety performance in 2017.

The main findings are as follows:

The offshore oil and gas sector in the EU

The Commission received data from Bulgaria, Croatia, Cyprus, Denmark, Germany, Greece, Ireland, Italy, the Netherlands, Poland, Romania, Spain and the United Kingdom. Most of the facilities are located in the North Sea and the Atlantic Ocean (378 facilities), while 166 facilities are located in the Mediterranean Sea, eight in the Black Sea and two in the Baltic Sea.

Most of the EU's domestic oil and gas production comes from the North Sea and Atlantic region (around 94%). The United Kingdom is by far the largest contributor, followed by the Netherlands and Denmark. Italy and Croatia are active producers in the Mediterranean, while in the Black Sea only Romania currently has significant oil and gas production.

In total, there were 554 production and non-production installations reported in EU waters in 2017, which constitutes a decrease of approximately 5% (32 fewer installations) compared to 2016.

Inspections at sea

The competent authorities of the Member States regularly inspected the offshore installations under their jurisdiction in 2017. The number of inspections and investigations carried out has not changed significantly. Overall, the number of inspections carried out in 2017 (630) has decreased compared to 2016 (735). However, additional efforts have been made in terms of person-days (2083 man-days in 2017 compared to 1913 in 2016).

Following several incidents, three Member States (the United Kingdom, Denmark and the Netherlands) carried out investigations during the reporting period. The United Kingdom conducted 16 investigations into safety and environmental concerns and two major accident investigations. One of the major accident investigations conducted by the United Kingdom was still ongoing at the time of reporting. Denmark and the Netherlands have each conducted an investigation for a major accident.

Incident data

As in 2016, no fatalities were reported in 2017. In the EU, the total number of reported incidents increased from 42 in 2016 to 59 in 2017, largely due to an increased number of unintended releases. In contrast, the loss of well control incidents fell from 11 in 2016 to eight in 2017, and the failures of safety and environmental critical elements fell from three to one in the same period. There were no reports of failures of structural integrity in 2017, in contrast to two such failures reported in 2016.

Three collisions involving ships were reported for 2017 as well as two failures of a well barriers. In 2017, a total of four incidents were classified as major accidents, as they could have caused death or serious injury.

The Commission appreciates the decrease of incidents in certain categories, such as losses of well control, failures of safety and environmental critical elements, and failures of structural integrity. It notes the number of major accidents, unintended releases, vessel collisions and failures of well barriers. Based on the above, it can be said that the European offshore sector demonstrated a good safety performance in 2017.

