

CROATIAN EXPERIENCE IN IMPLEMENTING OFFSHORE SAFETY DIRECTIVE

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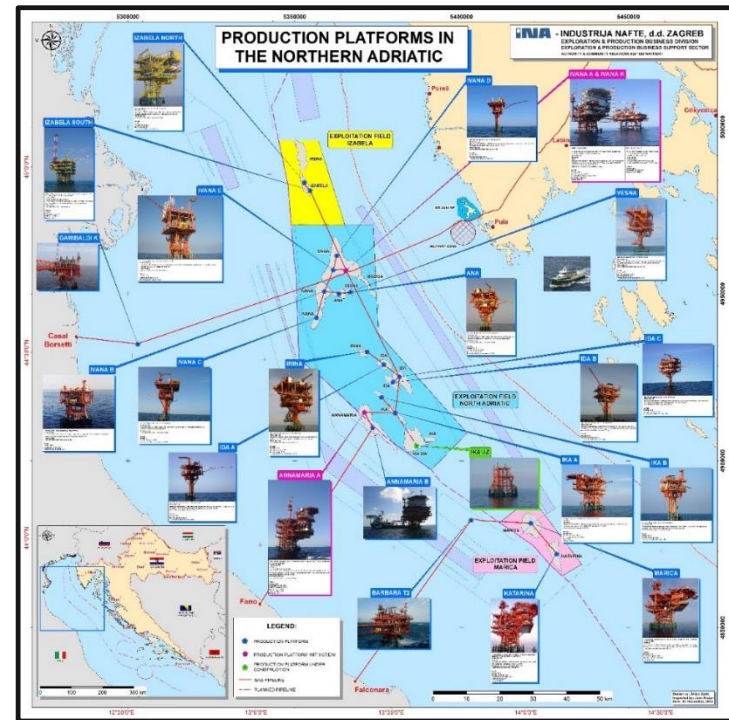
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Content and structure

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Offshore oil and gas activities in Croatia – past, present, future

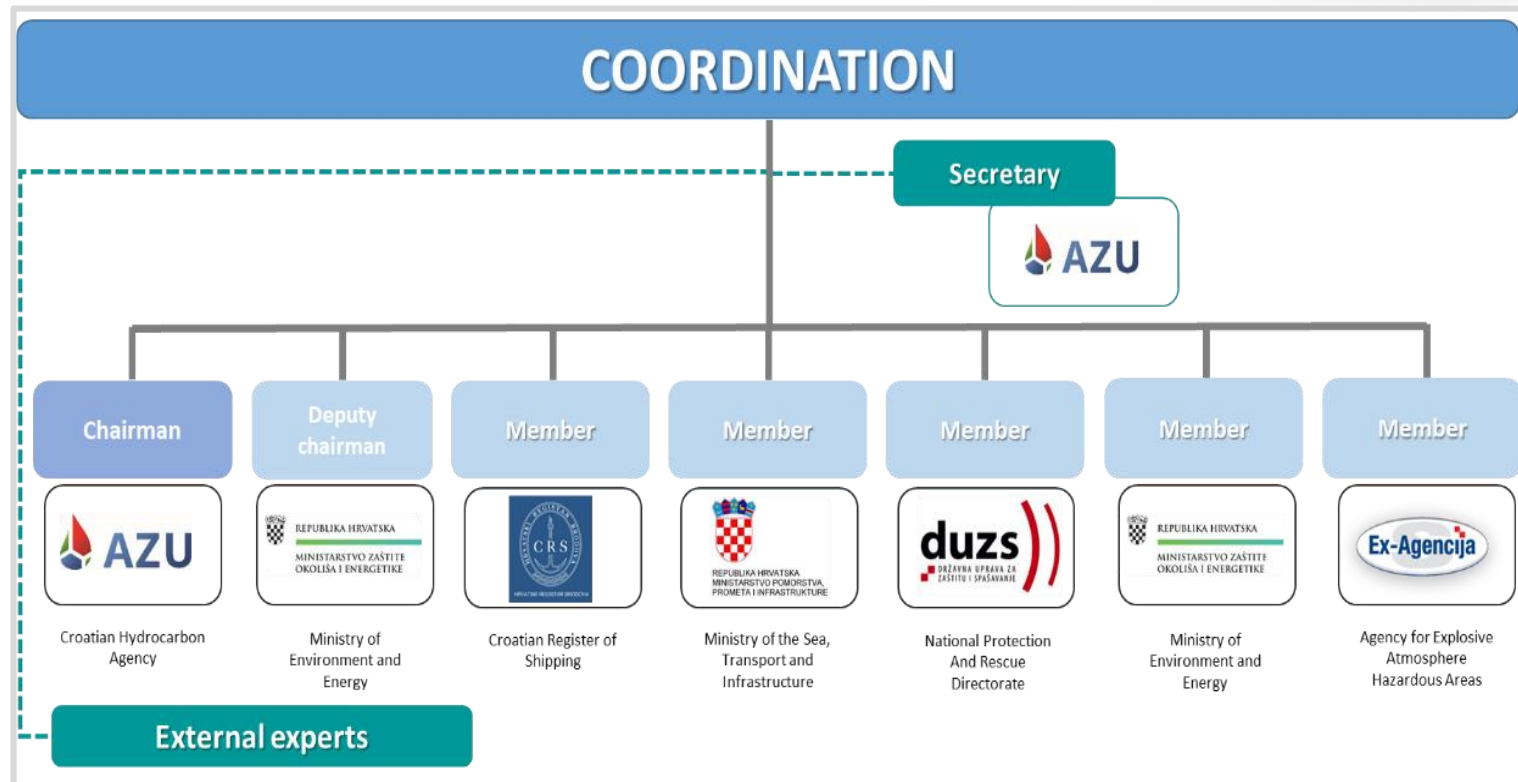
- **history:**
 - First exploratory wells in early 1970s
 - In late 1990s start of production of gas in northern Adriatic
- **current status:**
 - 20 production installations (2 manned) in the Northern Adriatic – 3 exploitation fields, 2 operators
- **planned activities:**
 - First Offshore License Round in 2014 (29 proposed exploration blocks, 15 awarded, no agreements signed)
 - New activities on existing production fields/installations



OSD implementation – milestones and general overview

- **July 2015** - *Safety Offshore Act* adopted -> main piece of legislation transposing the OSD
 - responsibility for the prevention of major accidents, Competent Authority organization, functioning, duties and powers, necessary documentation for offshore hydrocarbon exploration and exploitation, independent verification, transparency and information sharing, investigations, emergency preparedness and response, inspection and administrative oversight, penalties...
- *Commission Implementing Regulation (EU) 1112/2014* – directly transposed (translated)
- **July 2017** - *Regulation on Coordination for safety of offshore exploration and production of hydrocarbons* adopted
 - details of CA organization and functioning
- **September 2017** - Members of the Coordination named by the Government

Coordination as the Competent Authority



- CHA in charge of administrative and operational duties
- non of the members involved in the offshore economic development/licensing of offshore oil & gas activities

Coordination duties and responsibilities

- **controlling and evaluating operator/owner competence and compliance**
 - assessing and accepting documents (RoMHs, well notification...)
 - requesting inspections
 - participating in investigations
 - participating in safety drills
 - tripartite consultations
 - enforcement measures
- preparing documents and establishing mechanisms
- preparing annual plans and reports
- gathering and managing relevant data
- exchanging knowledge and information with other CAs
- cooperation with all relevant stakeholders

Coordination activities– work so far, where are we now, look to the future

- **2015 - 2017** – CHA working on establishing the foundations for CA
- **September 2017** – official formation of the Coordination
- **Q4 2017** – introduction of members, establishing work procedures, drafting and publishing first CA documents, organization of EUOAG/JRC training, first visits to installations
- **Q1 2018** – publishing all CA documents and setting up mechanism, establishing framework for joint inspections, cooperation with industry
- **Q2 2018** – first joint inspection, first RoMHs delivered, start of assessment
- **Q3 2018** – assessment in process
- **Q4 2018** – second joint inspection, tripartite consultation, participation in safety drills
- **2019** – overview of the system and necessary changes (changes in legislation, reviewing and updating the CA documents), assessment of new RoMHs and well notifications (?), further inspections, reporting...

Challenges faced

- **Offshore safety directive**
 - issues with transferring North Sea model (different environment, legal traditions, new instruments and mechanism...)
 - deadlines and timeframe for implementation
 - lack of interpretation guidance
- **National legislation**
 - literal translation of certain provisions
 - practice showed that some of the deadlines are not realistic
 - jurisdiction issues in inspection and investigation
- **Administrative situation**
 - delay due to elections and government formation
 - change of jurisdiction for oil & gas activities

Challenges faced

- **Chosen model of CA organization**
 - establishing new body from zero
 - lack of central authority
 - members work on various other tasks
- **Resources**
 - funding limitations
 - potential lack of human resources in „peak” work periods
- **Industry readiness level**
 - new financial and administrative obligation
 - necessity for mindset change
 - late with adaptation to new system

Lessons learned and way forward

- **Offshore Safety Directive**
 - potential changes to the OSD – how and when?
 - role of EUOAG and JRC – continuation of efforts on MS CAs capacity building, benefits of advisory support projects (identification of possible problems and suggestions for improvement)
- **National legislation**
 - more attention necessary when transposing the OSD
 - real-use experience -> beneficial input for changes
- **Administrative situation**
 - working „in background” on setting the basis for the system while waiting for the fulfillment of formal conditions

Lessons learned and way forward

- **Chosen model of CA organization**
 - taking care of covering whole range of disciplines needed for fulfilling duties and responsibilities, assuring adequate funding
 - advantages of this model of organization (highly experienced members with different expertizes, possible use of knowledge of their organizations)
- **Resources**
 - using all the available tools for education
 - communication with other CAs, cooperation with government authorities, academic institutions
- **Industry readiness level**
 - constant communication necessary

Final conclusion – issues exist, but level of offshore safety higher then before!



Thank you for the attention