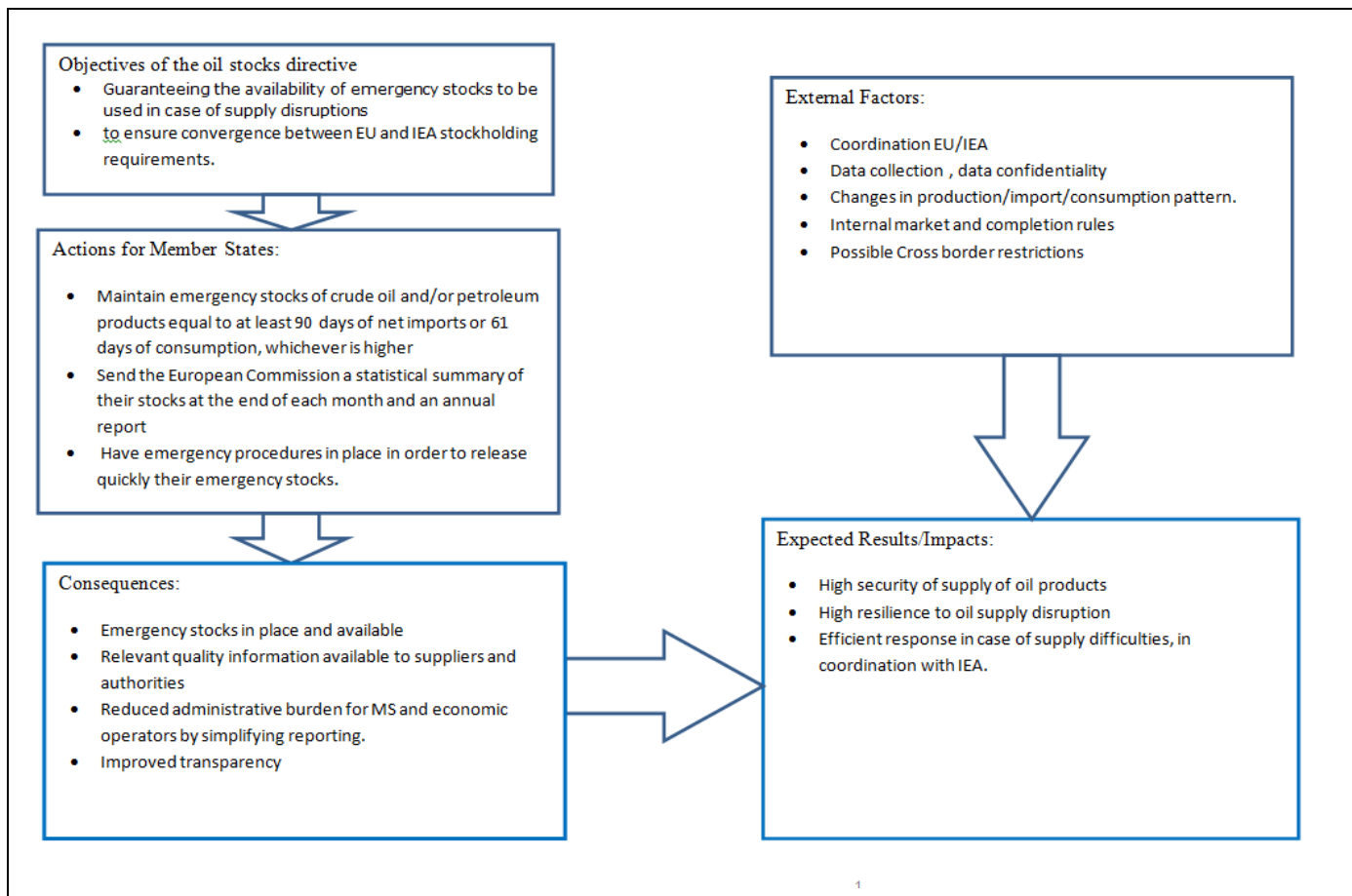


EVALUATION AND FITNESS CHECK (FC) ROADMAP			
TITLE OF THE EVALUATION/FC	Mid-term evaluation of the functioning and implementation of Council Directive 2009/119/EC imposing an obligation on Member States to maintain minimum stocks of crude oil and/or petroleum products. AP 2016/ENER/027		
LEAD DG RESPONSIBLE UNIT	ENER - B4 SECURITY OF SUPPLY	DATE OF THIS ROADMAP	11 / 2015
TYPE OF EVALUATION	Evaluation	PLANNED START DATE	Q3 / 2015
	Interim	PLANNED COMPLETION DATE	Q3 / 2016
	Mixed	PLANNING CALENDAR	http://ec.europa.eu/smart-regulation/evaluation/index_en.htm
This indicative roadmap is provided for information purposes only and is subject to change.			

A. Purpose
(A.1) Purpose
<p>In view of the important role of oil for the economy, maintaining emergency stocks to be used in case of supply disruptions is vital. Under the EU's Oil Stocks Directive, EU countries must maintain emergency stocks of crude oil and/or petroleum products equal to at least 90 days of net imports or 61 days of consumption, whichever is higher. Stocks must be readily available so that in case of a crisis they can be allocated quickly to where they are most needed.</p> <p>The general objective of the evaluation is to assess how the oil stocks directive has been implemented in Member States and how it is functioning in practice; to identify possible problems and areas for improvement or simplification.</p>
(A.2) Justification
Article 22 of Council Directive 2009/119/EC specifies that "by 31 December 2015, the Commission shall review the functioning and implementation of this Directive".

B. Content and subject of the evaluation
(B.1) Subject area
EU rules oblige Member States to maintain minimum stocks of crude oil and/or petroleum products. Such compulsory emergency stocks shall ensure the continuity of supply of petroleum products to consumers in case of possible disruptions.
(B.2) Original objectives of the intervention
<p>In case of oil supply disruption, strategic emergency stocks are the main instruments to be used to guarantee security of supply. EU legislation obliges Member States to hold emergency stocks of crude oil and/or petroleum products since 1968. Member States have considerable freedom when implementing the directive, resulting in very different stockholding regimes across Europe: state-owned stocks, stocks held by agencies (central stockholding entities), industry stocks and the mix of these. The International Energy Agency (IEA) also requires its member countries to hold oil stocks.</p> <p>The current oil stocks rule are contained in Directive 2009/119/EC, which imposes a stockholding obligation on all Member States, including net exporters (in practice, the obligation is 90 days of net imports or 61 days of consumption, whichever is higher) and requires that minimum 1/3 of the obligation is held in the form of products reflecting the consumption patterns.</p>



(B.3) How the objectives were to be achieved

Directive 2009/119/EC revised the previous rules, mainly contained in Directive 2006/67, with the following main objectives in mind:

- Improving the availability of the stocks, to ensure that in case of supply disruption the stocks can be released quickly, efficiently and without undue obstacles;
- Better harmonisation with the International Energy Agency (IEA) system,
- Reducing administrative burden and reporting simplification, and
- Improving transparency of stocks.

C. Scope of the evaluation/FC

(C.1) Topics covered

The evaluation to be carried out is a midterm evaluation of the functioning and implementation of the Directive. In particular, the evaluation should (see also below under C.2):

1. assess any possible shortcomings in the implementation and functioning of the Directive;
2. assess the impact of the Directive on the stockholding systems implemented across Europe (in particular if Member States moved to a new stockholding model) and the share of stocks held by different players (governments, CSEs, industry);
3. examine whether the differences between national stockholding systems have any negative consequences, e.g. on security of supply, the internal market or unnecessary regulatory burdens;
4. assess to what extent the objectives of the Directive have been achieved and at what cost;
5. check whether the objectives of the Directive still correspond to the needs of the policy area (security of oil supply).

(C.2) Issues to be examined

In accordance with the Better Regulation Guidelines, the evaluation will be based on the five mandatory evaluation criteria, considering also potential for reducing inefficiencies, particularly regulatory burden, and simplification of the intervention, as well as the costs and benefits of the intervention:

- **Relevance:** To what extent is the intervention still relevant? Do the objectives of the Directive still correspond to

the needs of the policy area?

- Effectiveness: To what extent have the objectives of the Directive been achieved? What have been the (quantitative and qualitative) effects of the intervention? Has the Directive contributed to improved transparency regarding of stocks?
- Efficiency: To what extent has the intervention been cost effective (cost/benefit ratio)? Is the administrative burden (including its costs) imposed on Member States and economic operators justified? Is there room for simplification?
- Coherence: To what extent is this intervention coherent with other interventions which have similar objectives and with wider EU policy? To what extent is the intervention coherent with international obligations (harmonisation with the IEA system)?
- EU added value: What is the additional value resulting from the EU intervention(s), compared to what could be achieved by Member States at national and/or regional levels? What is the additional value resulting from the EU intervention compared to the IEA system?

(C.3) Other tasks

D. Evidence base

(D.1) Evidence from monitoring

Data sources are:

- the annual reports of Member States submitted under article 9(5) of the Directive;
- the Member States' summary copies of the register submitted under Article 6(2) of the Directive;
- the monthly reports of Member States on oil stock levels article 14 of the Directive);
- Oil Coordination Group meetings.

(D.2) Previous evaluations and other reports

- 2008 Public consultation on the revision of the emergency oil stocks regime in the EU: "Towards a modern and effective system of oil stocks in Europe": http://www.acceptance.ec.europa.eu/energy/observatory/consultations/2008_06_17_modern_oil_stock_en.htm
- 2008 Impact assessment prior to the adoption of Directive 2009/119: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=SEC:2008:2858:FIN:EN:PDF>
- Fitness check of the refining sector (currently under preparation, the results will be published on Europa website)
- Trinomics BV independent study (ongoing *ad hoc* study for the purposes of this evaluation, the results are expected for May 2016 and will be published on Europa website).

(D.3) Evidence from assessing the implementation and application of legislation (complaints, infringement procedures)

Between 2013 and 2015, 21 infringement proceedings for non-transposition of the Directive have been started. Most of them have been closed since, after the Member States completed the transposition process or notified relevant legislation. One infringement proceedings for non-conformity with the Directive was started and is now closed. A limited number of complaints were received in the last two years.

The transposition and conformity checks carried out also assessed the underlying reasons of the complaints filed. The results have been used in the infringement proceedings and will also be used in this evaluation.

(D.4) Consultation

The consultation strategy is a crucial part of the evaluation, and will be carried out at two stages, with different scope, different addresses targeted and different tools.

The consultation strategy aims to achieve a twofold objective:

(a) firstly, the collection of technical evidence from those stakeholders that have a first-hand experience because they are directly involved in the daily implementation of the Directive; this is a part of the data gathering process, based on which the consultant will propose the answers to the questions and issues within the scope of the evaluation (see point C).

(b) secondly, once the consultant's conclusions are known, to seek the views of all stakeholders and general public on the basic questions of the evaluation, as described in point C1, with the help of a general non-technical survey.

Main stakeholders to be addressed and planned consultation activities will be as follows:

Stage 1. In view of the highly technical nature of the Directive, a technical and detailed web-based survey will be used to consult stakeholders, completed by targeted interviews. At this stage, the stakeholders to be consulted are

- the national authorities in the 28 Member States in charge of oil stocks policy,
- the Central Stockholding Entities,
- the International Energy Agency,
- the oil industry: refiners, importers, traders (individual companies and associations)
- other interest groups

This consultation is being carried out by Trinomics B.V between 11/15 and 01/16, as a part of the data gathering for their independent study. The results of this first consultation will be integrated in the consultant's final report, and will be published in the website of the Directorate General for Energy.

Stage 2. A public consultation targeting the general public and stakeholders at broad will be opened for a period of 12 weeks, starting in December 2015. The results will be published via "Your voice in Europe" (http://ec.europa.eu/yourvoice/consultations/index_en.htm)

In addition, in coordination with the consultant, a workshop will be held in Q1/2016 to present the intermediate results of Trinomics study to the Oil Coordination Group (OCG), set up by Art 17 of the directive, and all the stakeholders consulted. Meetings of the OCG shall also be used to collect information and discuss findings.

Background information and an overview of all consultation activities and their outcome will be published on a dedicated website.

(D.5) Further evidence to be gathered

Subject to results under D.4.

E. Other relevant information/ remarks

Commitments under international instruments and obligations need to be taken into account (IEA) <https://www.iea.org/media/aboutus/iep.pdf>

Founded in response to the 1973-74 oil crisis, one main role of the IEA is to co-ordinate a collective response of its 29 member countries to major disruptions in oil supply through the release of emergency oil stocks to the markets. Only 20 EU Member States are member of the IEA.

Member countries have to meet two key obligations: to hold oil stocks equivalent to at least 90 days of net oil imports; and to maintain emergency response measures that can contribute to an IEA collective action in the event of a severe oil supply disruption. Directive 2009/119 tried to align the EU methodology with that of the IEA, but some differences remain with the IEA system.