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**COMMISSION STAFF WORKING DOCUMENT**

**Including technical information**

*Accompanying the document*

**REPORT FROM THE COMMISSION**

**on the adequacy of national expert resources for complying with the regulatory  
functions pursuant to Article 27(4) of Directive 2013/30EU**

{COM(2016) 318 final}

## Part 1

### *Methodology and information base*

In a first step, a descriptive of offshore regulatory competences and resources required to carry out specific regulatory functions based on the Offshore Safety Directive (OSD)<sup>1</sup> was drawn on the basis of a thorough analysis of an already existing competent authority taken as a sample. For this purpose, the UK was chosen in view of its already established regulatory practice based on a national legislative framework resembling the regime foreseen by OSD. UK data allowed to draw a generic inventory of skills necessary for competent authorities implementing OSD-based national regulatory regimes.

A link between the size of a Member State's offshore industry and the volume of resources necessary for its competent authority was established on the basis of Commission research<sup>2</sup> and discussions with the EU Offshore Authorities Group (EUOAG). The developed ratios served subsequently to scale resources needed for individual Member States' competent authorities in accordance with their size of the offshore operations.

A survey of existing offshore operations and a projection of size and structure of the EU's offshore industry by Member States was carried out according to two scenarios for the industry's future development: a "business as now" (baseline scenario) and a "high activity scenario" (reflecting a possible increase of offshore activities). This stocktaking and projection served to estimate and extrapolate the potential resource requirements after the implementation of the OSD by a Member State in line with the current and expected future structure and size of its offshore sector.

To provide a common basis to the estimates of potential shortfalls, the resource requirements for each Member State would always be compared (i) with the current administrative capacity in the Member State and (ii) with the resource planning of the Member State for the year 2016. Data on Member States state of play and plans were gathered via a written survey and interviews with Member States' staff that is competent for resources in the national administrations; its quality largely depends on the adequacy of data provided by Member States.

In the final step the resource requirements were compared with current and planned resource availability to identify any gaps in the provision of expert resource. Based on this analysis, a "balance sheet" by discipline and under different activity scenarios was established. In parallel, the Commission took stock of available Member States' means and tools to make up potential shortfalls in competent authorities' resourcing. This allowed for the formulation of recommendations to Member States.

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<sup>1</sup> Directive 2013/30/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 12 June 2013 on safety of offshore oil and gas operations and amending directive 2004/15/EC.

<sup>2</sup> JRC Science for Policy report 'National expert resources for overseeing offshore safety in the EU', Stefania Contini, Athina Kokonozi, Michalis Christou.

## Part 2

### *Additional information on chapter 2 of the report on the adequacy of national expert resources*

#### **Functions and categories of expertise of Competent Authorities to comply with the provisions of the OSD**

##### **Overview on typical regulatory functions, processes and competences**

- A. Set of regulatory policies, procedures and processes for carrying out the required regulatory functions on offshore oil and gas operations.

|  |  |
|--|--|
| Assessment procedure for offshore oil and gas installations reports on major hazards (RoMHs) | Inspection procedure for offshore oil and gas installations  |
| Investigation procedure for offshore oil and gas incidents / accidents                       | Enforcement procedure for offshore oil and gas activities  |
| notifications of well operations etc. assessment procedure for offshore oil and gas wells    | A system of offshore technical and regulatory guidance   |
| A system of training or competence assurance for offshore technical and regulatory personnel | Data storage, handling, reporting and archiving systems (for storage of information on the findings of inspections, investigations, enforcement actions) |
| Charging regime  | Other – to be specified  |

- B. Set of regulatory arrangements for the interaction with offshore oil and gas operations stakeholders in the development of guidance and standards.

|   |   |
|---|---|
| Interaction with industry associations – working with industry through initiatives                                      | Interaction with unions and workers’ representation – arrangements for direct contact with workforce and workers’ representatives |
| Interaction with international and national technical standards committees (from industry and/or competent authorities) | Interaction with other competent authorities / Horizon scanning   |
|   | Other – to be specified   |

- C. A set of offshore oil and gas technical and regulatory competences

|  |   |
|--|---|
| Regulatory & Safety Management System Specialist         | Process Engineering Specialist incl. Fire and Explosion & Risk Assessment |
| Mechanical Engineering, Materials & Corrosion Specialist | Diving Specialist   |

|  |  |
|--|--|
| Environmental Protection & Oil Spill Response Specialist | Electrical and Control Systems Specialist                                  |
| Wells Specialist   | Structural Integrity & Verification Specialist                             |
| Pipelines Specialist                                     | Evacuation and Emergency Response, Marine & Aviation Operations Specialist |
| Occupational Health                                      | Naval Architecture & Marine engineering Specialist                         |
| Organisational & Human Factors Specialist                | Legal  |
| Administrative   | Other  |

### Part 3

*Additional information on chapter 5 of the report on the adequacy of national expert resources*

**Actual (2014) and planned (2016) staff numbers (Full Time Equivalents) by discipline over EU and estimates of resource adequacy by discipline per Group of Member States as planned in 2016<sup>3</sup>**

| Offshore Expert Discipline | Actual total in EU for 2014 | Planned total in EU for 2016 | Estimated Gap in 2016 for MS in Group 1 | Estimated Gap in 2016 for MS in Group 2 | Estimated Gap in 2016 for MS in Group 3 |
|----------------------------|-----------------------------|------------------------------|---|---|---|
| Regulatory                 | 75.7                        | 90.1                         | 1.9 (69)                                | 0.7 (12.1)                              | 8.3 (9.0)                               |
| Process                    | 25.1                        | 29.9                         | -0.1(24.8)                              | 0.7 (4.9)                               | -0.5 (0.2)                              |
| Mech. Eng.                 | 18.1                        | 21.2                         | -1.7(17.5)                              | 0.3 (3.5)                               | -0.3 (0.2)                              |
| Diving                     | 13.1                        | 15.1                         | -2.3 (13)                               | -0.5 2.1)                               | -0.4 (0)                                |
| Env. Protection            | 29.5                        | 33.6                         | 0.7 (23.7)                              | 5.8 (9.7)                               | -0.4 (0.2)                              |
| Electr. Eng.               | 10.1                        | 14.4                         | -1.0(10.5)                              | 1.9 (3.8)                               | -0.2 (0.1)                              |
| Wells                      | 21.5                        | 26.0                         | 4.3 (20.4)                              | 0.4 (2.6)                               | 1.3 (3.0)                               |
| Struct. Eng.               | 16.3                        | 19.8                         | -3.4(13.9)                              | 0.0 (2.9)                               | 2.5 (3.0)                               |
| Pipelines                  | 9.9                         | 12.8                         | -1.3(10.2)                              | 0.7 (2.6)                               | -0.3 (0)                                |
| Emergency response         | 9.9                         | 13.4                         | -2.2(10.3)                              | 1.0 (3.1)                               | -0.3 (0)                                |
| Occ. Health                | 11.4                        | 14.4                         | 3.5 (11.2)                              | 0.8 (2.1)                               | 0.9 (1.1)                               |
| Naval Architecture         | 4.5                         | 10.1                         | -3.6 (6.0)                              | 1.5 (3.1)                               | 0.7 (1.0)                               |
| Org. and HF.               | 7.9                         | 12.3                         | -0.4 (9.2)                              | 0.5 (2.1)                               | 0.7 (1.0)                               |
| Legal                      | 13.7                        | 17.9                         | 2.5 (13.4)                              | 1.5 (3.4)                               | 0.8 (1.1)                               |
| Admin                      | 28.7                        | 35.7                         | -4.2(27.4)                              | 0.8 (6.2)                               | 1.3 (2.1)                               |
| Other                      | 9.0                         | 13.0                         | 6.0 (6.0)                               | 4.0 (4.0)                               | 3.0 (3.0)                               |
| Total                      | 304.4                       | 379.8                        | -1.2 (286.5)                            | 20.1(68.6)                              | 16.1(25.0)                              |

<sup>3</sup> Research on Conditions and Design Parameters for Strengthening Offshore Safety Expertise in EU Member States: Stage I', Bio by Deloitte

**Negative figures: shortfall**

**Positive figures: excess**

**Planned total available resource for Group 1, 2 and 3 figure in ( ) for 2016**

#### Part 4

*Additional information on chapter 7 of the report on the adequacy of national expert resources*

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| <p><b>Sourcing Options for addressing the resource gaps of a national Competent Authority (CA) in the EU</b></p> |
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| Options  | Name of the option  | Sub-options       |           | Brief description of the option  |
|----------|---|-------------------|-----------|--|
| Option 1 | Baseline: MS' CAs have a fully resourced CA including offshore expertise, technical and knowledge systems and regulatory systems. | Recruitment needs | Option 1a | Recruitment of discipline specialists from the offshore industry and other relevant sectors to train them to be regulators   |
|          |   |                   | Option 1b | Recruit or develop from within CA persons who are not as yet technically competent to fill the role of the offshore specialist and this will include technical training and development in the specialist field. |
|          |   | Training needs    | Option 1c | Model I: Training collectively organised by the European Commission or other competent body  |
|          |   |                   | Option 1d | Model 2: Shared training organised by specific MS  |
| Option 2 | Intra-EU expert transfer and knowledge sharing  | Option 2a         |           | Bilateral agreements: Intra-EU expert transfer and knowledge sharing with bilateral agreements between MS  |
|          |   | Option 2b         |           | Multilateral agreements Intra-EU expert transfer and knowledge sharing with multilateral agreements between MS   |
| Option 3 | Creation of a network of 3rd party expertise and a dedicated mutual facility for each   | Option 3a         |           | Scenario 1: Network of 3rd party expertise, with a central facility organized and controlled by a public body (e.g. Commission)  |
|          |   | Option 3b         |           | Scenario 2: Network of 3rd party expertise in a joint  |

|          |   |           |  |
|----------|---|-----------|--|
|          | authority spread between MS or further afield                               |           | support scheme, with organisms shared by several MS  |
|          |   | Option 3c | Scenario 3: Network of 3rd party expertise based on resource dependence using experts from the industry                                      |
|          |   | Option 3d | Scenario 4: Network of 3 <sup>rd</sup> party expertise through self-selection in some technical forums on specific Oil & Gas related topics. |
| Option 4 | A mix of different options to address the resource gaps at different levels | Option 4  | Based on the specific resource needs per country group (1, 2 and 3)  |

**Note**

The Commission in accordance with Option 3 in the table, has contracted JRC to pilot a Virtual Centre of Offshore Expertise to assist, as required by Member States, in meeting their responsibilities for an adequately resourced Competent Authority.