

Policy and Legal Advice Centre (PLAC III)

Terms of Reference (ToR) for a Short-Term assignment

Technical assistance requested:	1 (one) Senior Non-Key Expert in the area Ch.15 - Energy; Emergency Oil Stockholding
Project Title:	Policy and Legal Advice Centre (PLAC III), Serbia
Ref:	EuropeAid/139295/DH/SER/RS
Service Contract No.	(CRIS) 2018/404-529
Main beneficiary:	Ministry of European Integration of the Republic of Serbia and the Negotiating Team
Target Beneficiaries:	Negotiating Group Ch. 15; Ministry of Mining and Energy of the Republic of Serbia, Administration for Reserves of Energy-Generating Products
Budget Line / Expert Category:	One Senior Non-Key Expert (SNKE)
Duration of the assignment:	30 working days (WD), from June 2021 – November 2021

1. Relevant background information

Background information in relation to PLAC III Project:

The scope of PLAC III Project is to provide support to relevant national institutions in charge of alignment of national legal acts with the Union *acquis* and to contribute to further building of capacities of relevant national structures for successful carrying out of accession negotiations.

The PLAC III Project should achieve two results:

RESULT 1- Enhanced compatibility of national legislation with EU legislation and its effective implementation

RESULT 2 - Enhanced capacities of the relevant national structures for successful carrying out of accession negotiations

In general, PLAC III Project aims at fostering the process of accession negotiations of the Republic of Serbia by supporting the effective alignment of national legislation with the Union *acquis* and its implementation and by further building the capacities of involved carriers of the EU integration process in the Republic of Serbia. After completion of screening process in 2015, Serbian public administration has entered into much more demanding and obliging exercise of accession negotiations, whereby each step and every decision should result in approaching actual membership in the EU. For this scenario to happen in accordance with planned dynamics, preparedness, adequate institutional capacity of public administration

with highly competent staff is of crucial importance. In the core period of the negotiations, PLAC III Project shall support domestic line institutions and the negotiating structures both in performance of quality operational work in relation to harmonisation process and in the effective coordination during various stages and phases in the process for different negotiation chapters.

2. Background information in relation to Chapter 15 – Energy; Emergency Oil Stockholding

The Republic of Serbia has committed itself to implement Council Directive 2009/119/EC (the Directive) imposing an obligation on Member States to maintain minimum stocks of crude oil and /or petroleum products by no later than 1 January 2023. This specific commitment stems from the Energy Community Ministerial Council decision of October 2012 (Decision D/2012/03/MC-EnC) and represents a key element of EU integration requirements.

In December 2013, the National Assembly of the Republic of Serbia adopted the Commodity Reserves Law (Official Gazette of the Republic of Serbia, No. 104/13), transposing the most relevant provisions of the Directive. In order to establish the full legal framework for the transposition of the Directive, several regulations and by-laws have had to be adopted by the Government of the Republic of Serbia and the Ministry of Mining and Energy.

In 2014 and 2015, most of the work to establish the full legal framework was completed and a dedicated body responsible for emergency oil stocks – the Administration for Reserves of Energy-Generating Products – was established within the Ministry of Mining and Energy.

On the other hand, in 2014 Serbian EU accession negotiations formally commenced and following the screening of the acquis of Chapter 15, Serbia was considered insufficiently prepared for negotiations on this Chapter and presented with two opening benchmarks in the Screening Report. **The issue of emergency oil stocks is considered a key benchmark for opening EU negotiations on Energy Chapter.**

In late 2015, Serbia commenced physical purchase of crude oil and petroleum products for the purpose of establishment of emergency oil stocks under the Directive. Serbia purchased significant amount of crude oil for emergency stockholding purposes so far and plans to purchase additional quantities of crude oil.

In parallel with building up the emergency stocks level, the Directive required Serbia to introduce legal framework on how to manage an oil supply crisis. Therefore, in summer 2019, the Government of the Republic of Serbia adopted the Emergency Response Plan (Official Gazette of the Republic of Serbia, No. 63/19), which lays out the procedures and steps to be undertaken by the main entities in Serbia responsible for taking action during an oil supply crisis.

According to the Emergency Response Plan, the guiding principle when releasing emergency oil stocks in a domestic supply disruption is the fair and equal treatment of all oil companies which have been paying the emergency oil stockholding fee. The release of emergency stocks of crude oil is to be converted into volumes of petroleum products based on the terms of the processing agreement or crude-for-product swap agreement concluded between the Administration for Reserves of Energy-Generating Products and refiner. The resulting volumes of petroleum products would be offered to all oil companies based on the proportionality principle described in the Emergency Response Plan. However, currently

there is no concluded agreement between the Administration for Reserves of Energy-Generating Products and refiner.

Further on, in order to maintain the emergency crude oil stocks fit for purpose at all times (i.e. to preserve the quality of crude oil), the Emergency Response Plan requires the Administration for Reserves of Energy-Generating Products and refiner to conclude crude-for-crude exchange agreements. Such an agreement, however, is still missing.

At present, there is no on-going and/or planned assistance projects for the activities covered by this ToR.

3. Description of the assignment:

3.1 Specific objectives

The specific objective of this assignment is to assist Serbia in its efforts to (1) establish the minimum required level of emergency oil stocks in accordance with the Council Directive 2009/119/EC of 14 September 2009 imposing an obligation on Member States to maintain minimum stocks of crude oil and /or petroleum products within the given deadline (a January 2023) and (2) establish the effective procedures for emergency response in a case of domestic oil market supply disruption.

Specifically, this is to be done by:

1. providing the expert assistance to the Administration for Reserves of Energy-Generating Products in drafting the **Crude Oil Processing Agreement** and **Crude Oil for Petroleum Products Exchange Agreement**. This will allow for timely and duly release of crude oil stocks by converting it into agreed volumes of petroleum products in case of the domestic oil market supply disruption, fully in line with the Emergency Response Plan (Official Gazette of the Republic of Serbia, No. 63/19)
2. providing the expert assistance to the Administration for Reserves of Energy-Generating Products in drafting the **Agreement on Crude oil for Crude oil Exchange**, fully in accordance with the ERP (Official Gazette of the Republic of Serbia, No. 63/19). Such an agreement should be concluded between the Administration for Reserves of Energy-Generating Products and refiner.

3.2 Requested services

The SNKE in the area of Emergency Oil Stockholding is expected to provide the following services:

- a) assist in drafting the Crude Oil Processing Agreement and Crude Oil for Petroleum Products Exchange Agreement, which are to be developed to allow conversion of emergency crude oil stocks into petroleum products in case of domestic oil market supply disruption.

These agreements can be used even to establish the minimum required level of emergency oil stocks in accordance with the Directive. The drafted documents should be based on industry practice, inputs and feedback provided by the Ministry of Mining and Energy – Administration for Reserves of Energy-Generating Products, refiner,

Directorate for Commodity Reserves, Ministry of Finance and other relevant stakeholders as needed;

- b) assist in drafting the Agreement on Crude oil for Crude oil Exchange, which is to be developed to preserve the quality of crude oil on storage for emergency stockholding purposes own by the Administration for Reserves of Energy-Generating Products.

The documents should be based on industry practice, inputs and feedback provided by the Ministry of Mining and Energy – Administration for Reserves of Energy-Generating Products, refiner, pipeline operator, storage operator and other relevant stakeholders as needed.

3.3 Outputs

The SNKE is expected to deliver the following outputs:

1. Crude Oil Processing Agreement and Crude Oil for Oil Products Exchange Agreement drafted
2. Agreement on Crude oil for Crude oil Exchange drafted

3.4 Reporting

The SNKE shall provide the following reports by using the templates of the Project:

- Final Mission Report, no later than 1 week after completion of tasks under this assignment. This report will include description of all activities and outputs provided by the SNKE in the context of this assignment.
- A brief interim report - only upon a request of the PLAC III Project team: TL and/or KE2

Submission of reports:

- Draft mission report shall be submitted to the Team Leader of the Project for review and comments at the end of the mission.
- Final version of the mission report prepared in the agreed quality shall be submitted to the Team Leader of the Project for a review, comments and the final approval.
- The reports shall be signed by the SNKE and the Team Leader, responsible for endorsing the reports.
- The reports and all prepared documents shall be submitted in a hard copy and electronic version to the Team Leader of the Project.

3.5 Specifics

The SNKE shall work under the guidance and follow the instructions of the Team Leader. The SNKE shall collaborate with the project team, other experts involved and representatives of the relevant beneficiary institutions.

Each of the short-term missions, the timing and duration shall be agreed with the Beneficiary and the PLAC III Project team prior to each planned mission.

3.6 Expert input

3.6.1 Total working days

30 WDs in total have been planned for the SNKE for this assignment.

3.6.2 Period of the assignment and Starting day

It is expected that the work will be performed in the period from June 2021 – November 2021. However, the exact starting date will be agreed at a later stage.

3.6.3 Location/Place of assignment

The SNKE has to deliver 100% of the input in Belgrade, Serbia, unless otherwise agreed due to extraordinary circumstances (i.e. COVID-19). Home-based days are subject to a prior approval by the EU Delegation Project Manager responsible for PLAC III Project.

3.6.4 Working language

English

4. Experts' Profile – Senior NKE (30 working days)

4.1 Qualifications and skills (25 points)

- A level of education, which corresponds to completed university studies of at least 3 years attested by a diploma such as engineering, science, economy, law or similar, relevant to the assignment
- Computer literacy
- Be proficient in report drafting
- Excellent communication and analytical skills
- Proficiency in English language
- Be independent and free from conflicts of interest in the responsibilities they take on.

4.2 General professional experience (25 points)

- At least 8 (eight) years of general postgraduate professional experience in Ch. 15, Energy, gained in an EU Member State, candidate or potential candidate country.

4.3 Specific professional experience (50 points)

- At least 5 years of postgraduate professional experience in transposition of the relevant Union *acquis* in the area of emergency oil stockholding, gained in an EU Member State, candidate or potential candidate country,
- Proven postgraduate professional experience in implementing and/or managing the relevant Union *acquis* in the area of establishment of the emergency oil stocks, gained in an EU Member State, candidate or potential candidate country will be an advantage,
- Knowledge of Serbian institutional, administrative and/or legal system will be an asset.

5. Applications

Applications (EU format CV and application letter in English) need to be submitted by e-mail to: MBAYARD@dmiassociates.com and ehoward@dmiassociates.com no later than June 9 2021, 17:00 hrs, titled:

“Application for the position – SNKE in the area of Ch. 15 – Energy; Emergency Oil Stockholding.”

References must be available on request. Only short-listed candidates will be contacted.

Pre-selected experts will be requested to sign Statement of Availability (SoA) in which they acknowledge and confirm the availability to accomplish this assignment within the indicated period, at the indicated starting date and within the number of working days requested.

The Project is an equal opportunity employer. All applications will be considered strictly confidential.

Advertised posts are not available to civil servants or other officials of the public administration in the beneficiary country, Serbia.

For more information, please contact Project Manager at DMI Associates: Marion Bayard MBAYARD@dmiassociates.com and Elizabeth Howard, <mailto:ehoward@dmiassociates.com>.