

MINISTERIAL DECLARATION ON THE PAN EUROPEAN OIL PIPELINE

Minister of Economy, Labour and Entrepreneurship of the Republic of Croatia, State Secretary in Ministry of Economic Development of the Republic of Italy, State Secretary in Ministry of Economy and Commerce of Romania, Minister of Mining and Energy of the Republic of Serbia and Minister of the Economy of the Republic of Slovenia

And

The European Commissioner for Energy;

These together being the Signatories of this document, recording political intent alone:

Assembled in Zagreb on 3 April 2007

Taking into Consideration the proposals highlighted in the Conclusions of the European Council of the European Union of 8/9 March 2007 on a policy for securing and diversifying energy supplies through clearly identified priorities for the upgrading and construction of new energy infrastructure, including the importance of independent oil pipeline supplies from the Caspian region and the importance of acknowledging the concrete political, financial and regulatory measures needed to actively support the undertaking of such projects by potential investors.

And:

Whereas the Republic of Croatia, the Republic of Italy, Romania, the Republic of Serbia, the Republic of Slovenia are the Host Countries of the Pan European Oil Pipeline (PEOP) Project;

Whereas the Republics of Croatia, Romania, Serbia and Montenegro have agreed the Protocol to the INOGATE Umbrella Agreement on the Establishment of an Interstate Oil Transportation System called CPOT;

Whereas the Interstate Committee, established pursuant to said Protocol has further co-ordinated the assessment and development of this project and decided to rename it as PEOP project and to include the Republic of Italy and the Republic of Slovenia in the initiative as Observers;

Whereas the undersigned Ministers of the Republic of Croatia, the Republic of Italy, Romania, the Republic of Serbia, and the Republic of Slovenia consider that the Interstate Committee's achievements in fostering the PEOP project have been very useful and valuable;

Whereas it is recognised that for a successful development of the PEOP project, the project should seamlessly link Constanta on the Black Sea to the Central European oil market, through the major oil hub of Trieste on the Adriatic Sea, and supply oil refineries along the route and connect to relevant oil inland infrastructure while minimising investment and operating costs;

Whereas all Signatories noted that the eventual extension of the PEOP to Genoa is desirable, and connection to other countries may be considered;

Whereas it is noted that for the project to have a positive overall ecological impact, in a global perspective, the connection to the Central European ought to be a pipe-to-pipe connection and therefore no increase in tanker traffic in the Adriatic is envisaged;

Whereas the possibility of using the basic eventual route also to convey gas from Constanza to the Central European market ought not to be discounted; and that such a development would also assist in the security of supply of all European Union Member States;

Whereas the Signatories wish to broaden and improve their co-operation with regard to the PEOP;

Taking into consideration the proposals and directions highlighted in the European Commission's Green Paper, a European Strategy for Sustainable, Competitive and Secure Energy;

Taking into consideration the Treaty Establishing the Energy Community;

Wishing to apply the highest possible standards to the development of the project, in line with commitments under relevant treaties, conventions and protocols, and in particular to ensure compliance with the relevant application of European Community directives and regulations;

Wishing to respect and preserve environmental and ecological security, seen in a global perspective, along the route and in the surrounding region, especially in coastal waters and in the Black Sea, and respecting the need to protect designated sites of special scientific interest and other protected natural environments;

And noting lastly the principles of consultation, consent and agreement amongst local interests and populations necessary for the achievement of such an ambitious project;

Mindful that any legal commitments must be dealt with in the appropriate form, namely Host Country agreements within the context of an Intergovernmental Agreement;

And therefore mindful of the fact that this Declaration is not binding under international law;

Minister of Economy, Labour and Entrepreneurship of the Republic of Croatia, State Secretary in Ministry of Economic Development of the Republic of Italy, State Secretary in Ministry of Economy and Commerce of Romania, Minister of Mining and Energy of the Republic of Serbia, Minister of the Economy of the Republic of Slovenia and The European Commissioner for Energy

DECLARE

- their support to the enhancement of co-operation between the countries on the PEOP route and those other countries that have expressed their interest in the PEOP project;

AND WELCOME THAT THE UNDERSIGNED MINISTERS OF THE HOST COUNTRIES WILL DEVOTE THEIR BEST ENDEAVOURS

- To co-operate and co-ordinate their efforts to facilitate and support the development of the PEOP project, while evaluating all feasible legal avenues for the eventual implementation of the PEOP project;
- To consider what adjustments are justified to routing proposals in order to accommodate legitimate concerns relating to protected natural environments, without unduly hindering the overall advance of the project as a whole, and taking into account the overall ecological benefit of the project;
- With the aim at developing the PEOP project through the Interstate Committee to define and promote the necessary activity for the completion of the pipeline project.
- With the aim at developing the PEOP project through the Interstate Committee to identify common mechanisms, procedures, protocols and guidelines for the commercial realisation of the project, including - if necessary - the creation of a project development company.
- To ensure that the environmental impact of the PEOP will be assessed as a part of the project in line with the requirements of EC Council Directive 85/337/EEC of June 27 1985, as amended by Council Directives 97/11 of 3 March 1997 and Directive 2003/35/EC of the European Parliament and the Council of 26 May 2003, and any subsequent amendment or development at EC level.
- To cooperate to ensure that the project would benefit from a global assessment of its impact, taking into account all relevant aspects of its development, conducted within the context of Directive 2001/42/EC of the European Parliament and the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment.

- To assist, within the limitations set by international commitments and national legislation, all stake-holders who are working towards the realisation of the PEOP project, including the provision of assistance, where appropriate, to potential investors.
- To ensure that all regulatory issues will be resolved using EC legislation where appropriate and within the confines of the *acquis communautaire*.

The original copy of this Declaration will be written in English and translated into Croatian, Italian, Romanian, Serbian, and Slovenian.

Mr. Branko Vukelić,
Minister of Economy, Labour and Entrepreneurship, The Republic of Croatia

Mr. Alfonso Gianni,
State Secretary, Ministry of Economic Development, The Republic of Italy

Mr. Eugen Tapu-Nazare,
State Secretary, Ministry of Economy and Commerce, Romania

Mr. Radomir M. Naumov,
Minister of Mining and Energy, The Republic of Serbia

Mr. Andrej Vizjak,
Minister of the Economy, The Republic of Slovenia

Mr. Andris Piebalgs,
Member of the European Commission in charge of energy