

## *Minutes*

### **Round Table on**

### **“POSSIBILITIES FOR REDUCING THE USE OF LEADED PETROL IN BOSNIA AND HERCEGOVINA”**

**6<sup>th</sup> November, 2006**

### **SARAJEVO, BOSNIA AND HERZEGOVINA**

- Registration of participants

Mrs Jasmina Islambegović greeted all the participants on behalf of the REC and expressed hopes that the meeting would be marked by a constructive dialogue.

Mr Ruslan Zhechkov presented the Partnership for Clean Fuels and Vehicles (PCFV) and informed the participants about regional events related to this topic.

Mr Zhechkov greeted the participants and introduced himself. He explained that the idea for this round table came from PCFV and the REC offices in Szentendre and Sarajevo, after a regional workshop was held in Hungary in October 2005. The workshop concluded that leaded fuels are still being used in significant amounts in the region.

So far, three workshops covering these topics have been held in the region: a training about clean vehicles in Bulgaria, a round table about the reduction of sulphur levels in diesel fuels - in Turkey, while a round table about the elimination of leaded fuels was held in Serbia.

Mrs Islambegović then asked the participants to introduce themselves and presented the agenda for the meeting.

Two presentations were given by Mr Zhechkov: first one about PCFV, and the other one about the status of clean fuels and vehicles in Central and Eastern Europe (attached).

Mr Boško Kenjić from the sector of natural resources, energy and environmental protection of the Ministry of Foreign Trade and Economic Relations of BiH gave his presentation about the decisions on the quality of liquid oil fuels (attached).

Mrs Lejla Kljakić gave a clarification regarding Mr Kenjić's presentation by saying that the contents of aromatics increased in the lead-free petrol from 42% to 45%, and the contents of benzene increased from 1% to 5%. They also represent a danger, since these substances are cancerogenic. She corrected Mr Kenjić claimed that the current EU standard for aromatics is 35%. The current standards in BiH for aromatics is 42%. Mr Kljakić underlined that Brod refinery does not produce that petrol at the moment, but that it is imported through Brčko. After that papers are changed and it is sold as if it had been produced in Brod refinery. The case is the same for both petrol and diesel fuels.

Mr. Kenjić said that the problem mentioned by Mrs Kljakić is a problem of control, not policy-related. Mr Pero Čorić responded by saying that the distributors wanted the control to be conducted at the entrance point, since that would protect both the distributors and

consumers, and the internal controls to be performed by inspections. He mentioned that distributors from Republica Srpska (RS) proposed that fees should not be paid by them if the sample that was taken is in accordance with standards, but that they should pay only when it is not.

Mr Kenjić said that one of the main future activities is improvement of the control of liquid oil fuels, although the way to do that is not yet specified, and that the proposal of the Ministry of Foreign Trade and Economic Relations is to do this by entrance control. Whether this will be done on the border or somewhere else remains to be seen.

Mr Fahrudin Đikić said that the Federal section has been seeking a solution for the problem of fees for some time now, since it is not fair to charge the distributor for something that the state needs. The control should be paid by the state, while a control which produces a negative result or a repeated control should be paid by the distributor. Mr Đikić added that entrance through Brčko is not the only problem, and the fact that the control is not conducted on the border is also a problem.

Mrs Kljakić said that in her experience, fuel that is sampled on the border is always in accordance with standards, and she believes that the problems occur with fuels that are bought at gas stations. Mrs. Pintul added that the decision that was mentioned was adopted exactly to protect the consumers, and that one of the diagrams in Mr Kenjić's presentation shows a decrease in findings of non-compliant fuel samples.

Mr Čorić responded by saying that such findings happen because the results are being fixed and «ordered» from the certificate-holding houses and inspectorates. Mr Erdal Čorbo mentioned that another problem is the fact that the fuel is controlled at entrance point but not at the gas stations and that the number of guarantee fixing on vehicles is not decreasing, but is actually increasing.

Mr Zaimović said that legal locations of control are defined by law, and that results would be even worse if the black market would be taken into consideration, which is where the fuel adulteration takes place. Mrs Pintul added that it is obvious that the question of implementation is the greatest problem since the decision deals with fuel quality, but not with the technical control of that quality. Inspection organs were formed by the decision and they are authorized to perform inspections, which means that fuel must be controlled not only at stations and terminals, but also in every cistern. Mrs Pintul believes that it is not impossible to draft a by-law which would specify this, but that still it is not the subject of the decision on the fuel quality; it is the matter of implementation and people who conduct such operations. As far as the fees are concerned, implementation of the decision is not in the interest of the state but in the interest of the supplier, because of the law about the protection of consumers.

Mrs Islambegović asked about how many controls on gas stations are conducted annually, to which Mrs Pintul responded by saying that the number of samples which need to be taken is determined on the basis of amount of fuel that was spent in the previous year. Mr Zaimović added that one analysis a year is the minimum threshold that needs to be met. Mr Andraš Burkuš said that the question of quality control is well defined in Croatia, and that the costs are paid by importers and this represent no problem for them since these cost are a part of their calculations. The only problem is that the results are provided only after 30 days. Mrs Pintul said that that fines for violating these standards are rigorous, but there is obviously an

arrangement between inspectors and suppliers on the ground, and no decision by the government can regulate that.

Mrs Islambegović reminded everyone that both entities adopted laws on inspections, according to which the inspection will be conducted within inspectorates and in accordance with the law on inspections. Mr Fahrudin Đikić said that the problem is that there are certain people in the country who see no interest in this law's implementation. Federal section suggested 6 border crossings to be designated for fuel import, but nothing has been done in that direction. Mrs Pintul said that unlike Croatia, regulations in BiH order for a seven-day period for sample analysis, and our inspectorates are equipped to take samples on the border crossings. This means that the problem exist not with taking samples, but with the way sample taking is organized.

Mr Andrej Vidović from HoldINA BiH said that his company has a large storage house of oil products in Podlugovi, where samples are taken by an authorized inspection company from all 12 train cisterns which come to Podlugovi. Problemes are caused by those customers which abuse the certificate which they acquired in this storage station. Mrs Pintul said that this would not be possible had the controls been conducted more thoroughly, and that market inspection is obliged to follow the documentation and keep track of amounts of fuel all the time, which would enable them to determine when the fuel was bought, in what amounts and how much of it was spent.

Mr Zaimović said that it is regrettable that the certificate was being misused, especially because the fuels changes its legal source of origin when it changes the owner, which is why the supplier cannot be blamed for fuel adulteration if it happens after the sale. Abuse of the certificate is done in order to discredit a certain supplier or postpone paying of fines. After Mrs Islambegović asked about who transports the fuel from Podlugovo to INA's gas stations, Mr Vidović responded by saying that it is conducted by contractors which bear full responsibility for INA's gas stations; all other traders to whom the fuel is sold organize their own transport.

Mr Martin Tais gave his presentation about air quality in cities and impact of leaded fuel (attached).

Mr Mirnes Hasanspahić for Eco-team Sarajevo gave a short presentation about the car-free day. Car-free day is celebrated for the fifth consecutive year in Sarajevo, and it is organized by Eco-team and the Ministry of Physical Planning and Environment of Sarajevo Canton. Each year there is progress in terms of people's reaction to this event, and every year has seen an increase in the number of participants. The problem is that citizens are not that well informed, and that they care more about the prices of fuel than about health impacts of low-quality fuels. Mr Hasanspahić stressed that Eco-team intends to continue to inform the public about these issues together with the rest of the NGO community.

Mrs Jasmina Zelić – Hadžiomerović said that when it comes to vehicle emissions, Sarajevo Canton is one step ahead of other because a decision was adopted about the measures of air quality protection in accordance with the Federal Law of Air Protection, and because delivering results of emission measurements to the Ministry has become mandatory, and also because control tapes are required as a proof that exhaust gases were measured. Mr Tais added that police officers could be enabled to immediately measure the exhaust gases, and to immediately take out of circulation cars which violate the standards. He also reminded the

participants that a tender has been announced for the Federal Environmental Strategy, which contains a monitoring plan and a proposal for a network of measurement stations on the federal level as one of its elements.

Mrs Almira Kapetanović said that new rules regarding the exhaust gases are still not being enforced, because the old regulations from 1996 are still implemented.

Mrs Lejla Kljakić gave a presentation about the development of the quality of motor petrols in the European Union (table attached). After USA started taking actions aimed at reducing the use of leaded fuels, EU also started moving in the same direction. In 1973, the average amount of lead in petrol was between 0.6 and 0.8 g/l, and in 1978 it was cut in half by the 78/611 directive.

At this time, standard in BiH for lead was 0.6 g, and remained there until the war started. In 1993, Europe introduced a new standard for lead which was 0.013 g, and in 2000, with a 98/70 directive, that standard was tightened and lowered to 5 ppm. This is the amount that can be measured by instruments, but the levels of lead are considered to be zero. Except for the consequences on human health, lead is harmful for the car catalytic converters, and prevents them from performing their functions.

For countries with certain economic difficulties, a deadline was given to 2005 for a complete phase-out of leaded petrol, if the concentration of lead was decreased to 0.15 g per liter, the contents of sulphur to 150 mg, and contents of benzene to 1%. In 1998, BiH decided that petrol characteristics should be in accordance with 85/210/EC directive, which limited the contents of lead to 0,15 g/l, of sulphur to 0.05% and of benzene to 5%. A procedure to change these standards in January of 2007 was initiated. However, in order to protect the production in the Bosanski Brod Refinery, the standard for the contents of lead was set to 0,6 g/l, and the allowed amount of sulphur was 0,1%. As far as sulphur is concerned, in 1993, the EU standard for sulphur was 500 ppm; in 2000 - 150 ppm and in 2005 - 50 ppm. In 2009, it is planned to lower the standard to below 10 ppm.

Mrs Kljakić mentioned that, just like lead, sulphur also poisons the catalyst, and that clean fuels can be used only in clean engines. The problem with our vehicle fleet is that they would pollute the environment even with clean fuels, since their engines are out of date. There is also the problem of aromatics: leaded petrol does not have a limited amount of aromatics, and it is somewhere around 50%. In EU, the standard is 35%. When it comes to diesel fuels, standard in 2000 was set to 350 ppm for sulphur; in 2005- to 50 ppm. EU allowed for certain delays until 2005 for leaded petrol standards, after which a complete ban followed.

Mrs Kljakić said that it remains to be seen how we could replace this petrol. In 2000, leaded petrol was consumed for 6.5% more than lead-free petrol, but the consumption of lead-free petrol increased significantly the next year. In the first 8 months of 2006, the consumption of lead-free petrol is for 69% higher compared to leaded petrol. One of the suggestions for BiH is to replace the leaded petrol with a lead-free petrol, but with additives. When it comes to refineries, they must build new facilities which will be able to produce clean fuels. The plan of the technical committee is to revise these standards in January and to suggest new measures. One of the suggestions will be to replace the leaded petrol with leaded-free one (with additives).

Mr Burkuš said that MOL in Hungary ceased to produce leaded fuels in 1999, and stopped the sale of leaded fuels in 2000. Hungary also started using fuels with additives, and in 2002

MOL started to produce fuels in accordance with EURO 5 standards for both gasoline and diesel. Mrs Islambegović said that the construction of new highways in BiH contributed to an accelerated abandonment of older vehicles, because they cannot meet the standards required by these new roads.

After this, Mr Erdal Čorbo presented ASA Auto, and said that ASA Auto imports those vehicles which are not produced here, but is also the authorized trader for the vehicles produced in Volkswagen, Vogošća. Producers represented by ASA Auto are far ahead of BiH legislation when it comes to fuel standards. Vehicles of these producers are equipped with several systems which can affect the overall pollution caused by transport: long-life system of oil replacement, catalyst with one or two lambda probes, fuel injectors, and particulate catalyst. The problems are caused by those competitors who sell and install spare parts which are of a very low and dubious quality. Mr Čorbo said that he did not believe that there is a low quality of fuel in BiH, but that the quality of fuel is not even. He also said that he can recommend the fuel of three companies in Sarajevo with which ASA Auto has cooperated: El Tarik Oil, Energopetrol and OMV.

Mrs Pintul said that this problem would be solved if the law on the protection of consumers was implemented better, and if the inspectorates would use the media to disclose all those fuel distributors who are not compliant with the standards.

After this discussion, participants decided to agree on the conclusions of this round table. According to the conclusions, it is necessary to:

- As a first step propose to freeze exemptions from the Decision for the period in which the refinery is not operational;
- Strengthen the control of transport of liquid fuels and the cleanliness of cisterns;
- A part of the mandatory monitoring needs to be conducted on the border (15-20%), a part in the cisterns and the rest of the monitoring must be conducted at the gas stations;
- Increase the number of authorized inspectors, and rotate the inspectors regularly to avoid corruption;
- Improve the implementation of the provisions of the Decision, especially the ones related to the control of liquid fuels which are imported in BiH, but also the ones produced domestically;
- Enhance the expertise of custom services for fuel quality control;
- Purchase a mobile laboratory;
- Solve the problem of domestic production by increasing the capacities of the domestic refinery
- Inform the citizens about the consequences of using leaded petrol with a special emphasis on the health effects (radio or TV campaigns, brochure);
- Increase the price of leaded petrol;
- Tighten the mandatory control of exhaust gasses in technical inspections.