



BS/EN/WG/R(2008)1

**REPORT OF THE
MEETING OF THE BSEC
WORKING GROUP ON ENERGY**

Kyiv, 7-8 April 2008

1. The Meeting of the BSEC Working Group (WG) on Energy was held in Kyiv, Ukraine, on 7-8 April 2008.
2. The Meeting was chaired by Mr. Sergey BEVZ, Director of the Department of European Integration and International Cooperation, Ministry of Fuel and Energy of Ukraine.
3. The Meeting of the Working Group was attended by the following BSEC Member States:
 - Republic of Albania
 - Republic of Armenia
 - Republic of Azerbaijan
 - Republic of Bulgaria
 - Georgia
 - Hellenic Republic
 - Republic of Moldova
 - Romania
 - Russian Federation
 - Republic of Serbia
 - Republic of Turkey
 - Ukraine
4. The Meeting was attended by the representatives of the Republic of Austria, the United States of America and the Energy Charter Secretariat as BSEC Observers.
5. The Draft Agenda of the Meeting was discussed and adopted. The Agenda, as adopted by the Working Group, is attached as Annex I.

EXCHANGE OF INFORMATION ON RECENT DEVELOPMENTS IN THE FIELD OF ENERGY IN THE BSEC MEMBER STATES AND ON THE DEVELOPMENT OF PROJECTS HAVING REGIONAL IMPACT

6. The delegations of the Member States presented the developments and implementation of bilateral and multilateral projects in the field of energy in their respective countries.

7. The WG invited the delegations to forward to BSEC PERMIS, in electronic form, the said presentations and energy updates for further dissemination to the Member States.

EXCHANGE OF VIEWS ON AND PREPARATION OF THE FINAL DRAFT OF THE DECLARATION OF MINISTERS OF ENERGY OF THE BSEC MEMBER STATES

8. The participants discussed on, amended and agreed the text of the draft “Declaration on BSEC-EU Cooperation in Energy” to be submitted to the Ministers of Energy of the BSEC Member States for their consideration and adoption. The final draft text of the said Declaration is attached as Annex II.

9. The Delegation of the Republic of Azerbaijan made a statement with regard to protracted conflicts which is attached to the Declaration.

10. The Delegation of the Republic of Armenia made a statement in response to the statement of the Republic of Azerbaijan which is attached to the Declaration.

STATE OF IMPLEMENTATION OF THE REGIONAL ENERGY STUDIES IN THE FRAMEWORK OF BSEC

11. The WG took note of the information provided by PERMIS on the state of affairs regarding the collection of the National Energy Strategies and the replies to the Energy Questionnaire from the Member States and expressed its satisfaction with the progress achieved so far.

12. In addition, the WG took note of the written information provided by ICBSS and expressed its satisfaction regarding the progress of the energy study. The final conclusions of this study are expected to be presented by the ICBSS at the next Meeting of the Working Group.

STATE OF IMPLEMENTATION OF THE PROVISIONS OF THE DECLARATIONS OF MINISTERS OF ENERGY OF BSEC MEMBER STATES, AS WELL AS BSEC COUNCIL

RESOLUTIONS AND DECISIONS AND PROVISIONS OF THE BSEC DECLARATIONS AIMED AT TRANSFORMING BSEC INTO PROJECT-ORIENTED ENDEAVOR AND ENHANCING ITS EFFICIENCY AND EFFECTIVENESS

13. The BSEC PERMIS provided the information on the state of affairs with regard to the subject under consideration. In particular, it was mentioned that in compliance with the relevant BSEC Resolutions and Decisions, the Member States provided names of their representatives to the WG appointed on a long-term basis, as well as the submission of the Evaluation Report of the Republic of Azerbaijan as Country-Coordinator for the period 2005-2007.

14. The WG took note of the interim Assessment Report of the activities of the WG on Energy during May 2007-April 2008 submitted by the Republic of Armenia in its capacity of the Country-Coordinator. The Participants agreed to consider and discuss this report at their next meeting.

DISCUSSION ON THE PROSPECTS OF BSEC-EU COOPERATION IN ENERGY IN VIEW OF CONCLUDING DOCUMENTS OF MINISTERIAL MEETINGS HELD ON 14 FEBRUARY 2008 IN KYIV

15. The participants exchanged views and opinions on the issue that have been reflected in the Draft Declaration on BSEC-EU Cooperation in Energy to be submitted to the BSEC Ministers of Energy for consideration and eventual adoption.

16. The WG supported the proposal of the Delegation of the Republic of Bulgaria to explore on the possibility of establishing an Office of the Energy Community Observatory in Bulgaria covering the South Eastern Europe (SEE) as well as the countries of the Black Sea and Caspian regions within the context of the BSEC-EU cooperation in the field of energy.

17. The Participants agreed to continue discussions on the subject at their forthcoming meetings.

ADOPTION OF THE PLAN OF ACTION OF THE WG ON ENERGY FOR 2007-2009. DISCUSSION ON THE MEASURES TO BE UNDERTAKEN FOR ITS EFFECTIVE EXECUTION

18. The Participants discussed on, amended and agreed on the Plan of Action of the Working Group of Energy for the period 2007-2009 submitted by the Republic of Armenia in its capacity as Country-Coordinator. The said Plan of Action of the Working Group of Energy is attached as Annex III.

19. The Delegation of the Republic of Azerbaijan expressed its position with respect to the bilateral cooperation with the Republic of Armenia with the view of implementation of the Plan of Action for the period 2007-2009, which is reflected in the said Action Plan.

20. The WG decided to submit the following draft Decision to the Committee of Senior Officials for subsequent submission to the Council for consideration:

“The Council took note of the Report of the Working Group on Energy (Kyiv, 7-8 April 2008) and expressed its satisfaction for the adoption of the Plan of Action for the period 2007-2009 prepared by the Republic of Armenia in its capacity of Country-Coordinator for the respective period.

The Council, in line with its respective Resolution on the continuity of the activities of the Working Group invited the forthcoming BSEC Chairmanships to consider the said Plan of Action in the planning of the Calendar of Events.”

21. Following the discussions of the Evaluation Report of the activities of the WG on Energy during the period of 2005-2007, submitted by the Republic of Azerbaijan in its capacity as outgoing Country-Coordinator held at the meeting of the WG on Energy (Ankara, 2-3 October 2007), the participants decided to submit to the Committee of Senior Officials the following draft Decision for subsequent consideration by the Council:

“The Council took note of the Evaluation Report of the activities of Working Group on Energy during the period of the 2005-2007 and expressed its appreciation of the work done by the Republic of Azerbaijan in its capacity of outgoing Country Coordinator for the preparation of the said report. The Council encouraged the said Working Group to consider the respective issues with the view to improve the effectiveness of its activities.”

PROJECT DEVELOPMENT FUND: PROJECT APPLICATIONS IN THE FIELD OF ENERGY

22. The WG expressed its satisfaction regarding the decision of the Steering Committee of the Project Development Fund to approve a grant of USD 15,000 for the PDF Application “Market potential for Hydrogen production from Hydrogen Sulphide in Black Sea and industrial waters”.

23. Moreover, the WG took note that the said project will receive additional financial support of USD 10,000 from the UNIDO/ICHET thus increasing the project’s exposure and significance.

24. Following the positive comments expressed by the Steering Committee of PDF, the WG also emphasized the importance of collaboration with international donors when examining the necessary funding for PDF Applications and other regional projects in energy.

ANY OTHER BUSINESS

25. The WG expressed its appreciation to the Republic of Turkey for organizing and hosting the Workshop “Effective Utilization of Coal Resources and Advanced Technologies” to be held in Ankara on 9-10 April 2008, and wished fruitful deliberations. The WG will examine the conclusions of the said Workshop at its next Meeting.

26. The WG took note of the written information provided by KEPA of the EU-funded project “PROMITHEAS-2” energy network regarding the Black Sea Energy Conference “Energy

Investments and Trade Opportunities” to be held in Athens on 8-9 October 2008. The WG took note that the Committee of Senior Officials proposed the forthcoming Chairman-in-Office to include the said energy conference in the BSEC Calendar of Events.

27. The WG took note of the outcome of the Workshop “Joint Implementation and Clean Development Mechanism among the BSEC countries” that was held in Kyiv on 9 November 2007 and organized by the Institute of Energy Saving and Energy Management (ESEMI) of the National Technical University of Kiev and within the framework of the EU-funded project "PROMITHEAS-2".

28. The WG took note of the information provided by PERMIS regarding the publication of the Republic of Croatia “Energy in Croatia 2006 Annual Energy Report”, the hard copy of which was submitted to the BSEC PERMIS. The said publication is also available at the following site: www.mingorp.hr.

29. The WG took note with the appreciation of the presentation made during the meeting by Mr. Ralf DICKEL, Director of Transit, Trade and Relations with Non-Signatories of the Energy Charter Secretariat, expressing its wish to deepen cooperation with BSEC. The said presentation will be placed on the BSEC website.

EXPRESSION OF THANKS

30. The participants expressed their gratitude to the Government of Ukraine and the Ministry of Fuel and Energy of Ukraine for the hospitality extended to them and the excellent arrangements made for this Meeting.

DATE AND VENUE OF THE NEXT MEETING

31. The date and venue of the next Working Group Meeting will be communicated to the Member States through BSEC PERMIS.

ADOPTION OF THE REPORT

32. The Working Group adopted the present Report for submission to the next Meeting of the Committee of Senior Officials of the BSEC Member States to be held in Kyiv on 15-16 April 2008 prior to the 18th Council of the Ministers of Foreign Affairs of the BSEC Member States (Kyiv, 17 April 2008).
