



## ORGANIZATION OF THE BLACK SEA ECONOMIC COOPERATION

### Permanent International Secretariat

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

Istanbul, BSEC Headquarters, 5-6 October 2010

1. The Meeting of the BSEC Working Group (WG) on Energy was held in Istanbul, at the BSEC Headquarters, on 5-6 October 2010.
2. The Meeting was chaired by Mr. Charalampos PIPPOS, Director of Public Relations and International Activities, Ministry of Environment, Energy and Climate Change of the Hellenic Republic.
3. The following BSEC Member States attended the Meeting:  
  
Republic of Albania  
Republic of Armenia  
Republic of Azerbaijan  
Georgia  
Hellenic Republic  
Romania  
Russian Federation  
Republic of Serbia  
Republic of Turkey
4. The following BSEC Related Bodies also participated in the Meeting:  
  
Parliamentary Assembly of the Black Sea Economic Cooperation (PABSEC)  
BSEC Business Council (BSEC BC)
5. The following BSEC Observers attended the Meeting:

Arab Republic of Egypt  
Czech Republic  
Republic of Italy  
United States of America

6. The following States having sectoral dialogue partnership with BSEC also participated in the Meeting:

Republic of Hungary  
Islamic Republic of Iran

7. The following Official Guests attended the Meeting:

United Nations Industrial Development Organization International Centre for Hydrogen Energy Technologies (UNIDO-ICHET)  
Energy Policy and Development Centre (KEPA), National and Kapodistrian University of Athens

The List of Participants is attached as Annex I.

8. The Draft Agenda of the Meeting was discussed and adopted. The Agenda, as adopted by the Working Group, is attached as Annex II.

**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**

9. Representatives of the Republic of Armenia, the Hellenic Republic, Romania and the Republic of Turkey intervened in the discussion on this Agenda Item.

10. The BSEC BC Secretary General informed the Working Group on the following:

- A proposal, adopted by the BSEC Business Council Board of Directors on the establishment of a “Green Alliance between Business and Academia” in the wider Black Sea area, will be developed in partnership by the BSEC BC and PROMITHEAS net. The “Alliance” aims to bring together academic research institutions and enterprises in order to connect business and academic work-research, to explore new sectoral markets and develop job markets demands which correspond to “the products of green economy” in the region. Furthermore, the BSEC BC Secretary General also informed that the BSEC BC will launch a “green business network” with a specific identity for the region and invited the Member States through the competent authorities for their support.

- A Workshop entitled “Scientific and commercial opportunities in the field of Hydrogen Energy in the Black Sea region”, will be co-organized by the BSEC Business Council, the BSEC Hellenic Development Fund, the International Energy Agency/Hydrogen International Agreement and the UNIDO International Centre for Hydrogen Energy Technologies on 8-10 November 2010 at the BSEC Headquarters. In this regard the organizers requested the assistance of the BSEC Member States, with the view to extend invitations to the competent national state authorities for their participation.

11. In the context of this, the Associate Director of UNIDO International Centre for Hydrogen Energy Technologies (UNIDO-ICHET) and the Director of Energy Policy and

Development Centre (KEPA), which managed PROMITHEAS net also made presentations on these issues.

12. The Working Group:

- took note of the information provided by the participants;
- took note with appreciation of the joint proposal of the BSEC BC-PROMITHEAS net on the establishment of the “Green Alliance between Business and Academia” and further encouraged its activities;
- positively welcomed the joint Workshop on “Scientific and Commercial Opportunities in the Field of Hydrogen Energy in the Black Sea Region” to be organized by the BSEC BC, HDF, IEA/HIA and UNIDO-ICHET and recommended the Member States to consider sending experts in order to maximise benefits for the BSEC Member States of the exchanges to take place during this event;
- decided to continue to keep this item on the agenda of its subsequent meetings, as a useful framework for exchanging information of interest for the BSEC Member States and their cooperation in the field of energy.

**PRESENTATION OF THE GREEN ENERGY DEVELOPMENT INITIATIVE FOR THE BLACK SEA, WITHIN THE “BLACK SEA TURNS GREEN” STRATEGY OF THE HELLENIC CHAIRMANSHIP-IN-OFFICE, ON THE BASIS OF THE BACKGROUND NOTE PREPARED BY THE HELLENIC MINISTRY OF ENVIRONMENT, ENERGY AND CLIMATE CHANGE**

13. The representative of the Chairmanship-in-Office made a presentation of the Green Energy Development Initiative, whose purpose is to identify common aspects of the Green Growth policies pursued by each Member State and specify relevant issues within which regional cooperation can be most effective, and to promote Green Energy investments and innovative Green Energy projects with an emphasis on renewable energy sources, energy efficiency and environmentally friendly energy technologies. The text of the presentation is attached as Annex III.

14. The Working Group welcomed the presentation as a useful background for the preparation of the draft Declaration on this issue to be submitted for adoption by the Meeting of the BSEC Ministers for Energy, which will take place in Nafplion, Greece on 12 October 2010.

**DISCUSSION AND FINALIZATION OF THE DRAFT NAFPLION DECLARATION, TO BE ADOPTED BY THE FORTHCOMING MEETING OF THE BSEC MINISTERS FOR ENERGY (NAFPLION-GREECE, 12 OCTOBER 2010)**

15. The Working Group discussed and finalized the draft Declaration on the Green Energy Development Initiative for the Black Sea Region and decided to submit it to the Meeting of the Ministers of Energy of the BSEC Member States which will take place in Nafplion, Greece on 12 October 2010, for adoption. The text of the draft Declaration is attached as Annex IV.

16. The Working Group agreed to submit the following draft Resolution to the Committee of Senior Officials for its consideration, with the view to be adopted by the Council of Ministers at its next Meeting:

*“The Council welcomed the Green Energy Development Initiative for the Black Sea region, proposed by the Hellenic Republic and endorsed by the Ministers of Energy of the BSEC Member States (Nafplion, 12 October 2010).*

*The Council agreed to establish a Task Force, within the Working Group on Energy to promote Green Energy by identifying common aspects of Green Growth policies pursued by the Member States and exploring ways to develop Green Energy projects and investments, in particular on renewable energy sources, energy efficiency and environmentally friendly technologies.*

*The Council requested the Hellenic Chairmanship to prepare the draft Terms of Reference of the said Task Force.”*

17. The representatives of the Hellenic Republic reiterated their request to the Member States to register their delegations to the forthcoming Meeting of the Ministers of Energy (Nafplion, 12 October 2010), at the earliest possible.

#### **STATE OF IMPLEMENTATION OF THE PROVISIONS OF THE DECLARATIONS AND DECISIONS OF MINISTERS OF ENERGY OF BSEC MEMBER STATES, AS WELL AS BSEC COUNCIL RESOLUTIONS AND DECISIONS**

18. The Delegation of the Republic of Turkey as Country-Coordinator provided information on the date of the next meeting of the Ad Hoc Working Group of Experts on Electrical Networks (AHWGEEEN) and the latest situation of the Ad Hoc Working Group on Cooperation among BSEC Member States in Exploration and Extraction of Hydrocarbon Resources of the Black Sea (AHWGEEHCR).

19. Having examined the issues under this Agenda Item, the Working Group agreed:

- to take note of the information provided by PERMIS regarding action taken in implementation of the previous declarations and decisions of Meetings of the Ministers of Energy and of the Council of the Ministers of Foreign Affairs of the BSEC Member States;
- to proceed to a substantive discussion at its next meeting on the implementation of the “Sofia Declaration on the Establishment of an Integrated Black Sea Energy Market”, and in particular on the possibility of approximation of the national legislations of the BSEC Member States in the energy sector and on possible measures for creation of a specific regulatory framework allowing the efficient establishment of the Black Sea integrated energy market;
- to ask PERMIS to prepare a background paper for such a discussion, based on inputs from the BSEC Member States and Related Bodies.

#### **STATE OF IMPLEMENTATION OF PREVIOUS DECISIONS OF THE WORKING GROUP ON ENERGY**

20. The representative of the Republic of Armenia informed that his country supports the Plan of Action of the Working Group on Energy prepared by the Republic of Bulgaria in the capacity of the Country Coordinator of the WGE for the period 2010-2011.

21. Examining the state of implementation of its previous decisions, the Working Group agreed:

- to take note of the information submitted by PERMIS under this Agenda Item;

- to express high appreciation to the BSTDB for the substantive technical considerations regarding the proposal to establish a Regional Energy Infrastructure Fund in order to develop the necessary energy infrastructure in the Black Sea Region;
- to further examine the proposal to establish such a Fund at its next session in the light of the above mentioned considerations, focussing on identifying energy infrastructure projects in the Black Sea Region which are of interest for Member States and can be implemented in a BSEC partnership format;
- to take note of the comments, observations and suggestions made by four Member States Plan of Action of the Working Group on Energy for the period 2010-2011 proposed by the Country-coordinator and to invite the other Member States to submit their comments, observations and suggestions regarding the proposed Plan of Action in written form and have them sent to the PERMIS by 1 November 2010;
- to invite the Country-Coordinator to revise the Plan of Action in the light of comments, observations and suggestions made by the Member States and of the Nafplion Declaration on the Green Energy Development Initiative as adopted;
- give its approval for the revised Plan of Action either by correspondence, through PERMIS, or at its next meeting.

## **DISCUSSIONS ON THE DRAFT PROPOSALS FOR THE JOINT BSEC-EU PLAN OF ACTION IN ENERGY**

22. The Working Group took note of the information provided by PERMIS on this issue.

## **STRENGTHENING COOPERATION BETWEEN BSEC AND OTHER INTERNATIONAL ORGANISATIONS AND AGENCIES IN THE FIELD OF ENERGY**

23. The Working Group agreed to:
- take note of the information submitted by PERMIS in the context of this Agenda Item;
  - submit to the decision-making bodies of BSEC the proposal that the BSEC Organization strengthen its cooperation with other international and regional organizations in the field of energy, support and associate itself to activities and projects undertaken by these organizations susceptible to respond to the main priorities of the Member States in the field of energy;
  - invite PERMIS to follow international initiatives and processes related to the international cooperation in the field of energy and to the extent possible, within the limits of budgetary allocations, participate in the international events organized by other international organizations devoted to energy issues and inform the Member States on any aspects that can have relevance for, or influence on, the BSEC activities.

## **PROJECT DEVELOPMENT FUND: PROJECT APPLICATIONS IN THE FIELD OF ENERGY**

24. The Working Group took note of the information provided by PERMIS on the implementation of the project entitled “Market Potential for Hydrogen Production from Hydrogen Sulphide in Black Sea and Industrial Waters”, by Bulgaria as leading partner, Romania and Ukraine. The WG decided to discuss the final report on the project at its next meeting.

## **ANY OTHER BUSINESS**

### **Hellenic Development Fund**

25. The representatives of the Hellenic Republic informed the Working Group of the recent activity of the BSEC Hellenic Development Fund, established within the Organization of the BSEC, as a flexible financial instrument to promote regional development cooperation programmes, in the sectors of transport, renewable energy sources, environmental protection, business cooperation and commerce, tourism and culture.

26. Following the first call for proposals, published in February 2010 and available at the BSEC's webpage, applications for funding may be submitted to the Fund, in the areas of renewable energy sources and energy efficiency.

27. The representatives of the Hellenic Republic kindly requested the participants to convey this information to their respective relevant National Authorities, as well as to potential applicants.

### **Business Forum on the promotion of Green Development and Entrepreneurship in the wider Black Sea area (Thessaloniki, 26 November 2010)**

28. The representatives of the Hellenic Republic informed the participants of the preparation of a Business Forum on the promotion of Green Development and Entrepreneurship in the wider Black Sea area, under the auspices of the BSEC Hellenic Chairmanship-in-Office. The Forum will be held parallel to the 23<sup>rd</sup> Meeting of the Council of the Ministers of Foreign Affairs (Thessaloniki, 26 November 2010) and will focus on business perspectives and opportunities in the area of renewable energy sources, energy efficiency, water and waste management, sustainable tourism, etc., bringing together decision-makers and business people from the wider Black Sea area and beyond.

29. The representatives of the Hellenic Republic kindly requested the participants to convey this information to their respective relevant National Authorities.

## **DATE AND VENUE OF THE NEXT MEETING**

30. The date and venue of the next meeting of the WG will be communicated to the Member States through BSEC PERMIS.

## **ADOPTION OF THE REPORT**

31. The Working Group adopted the present Report for its submission to the Committee of Senior Officials and the Council of Ministers of Foreign Affairs for their consideration.

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