



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, 3-4 April 2012

1. The Meeting of the BSEC Working Group (WG) on Energy was held in Istanbul, at the BSEC Headquarters, on 3-4 April 2012.

2. The Meeting was chaired by Dr. Miroslav PROCOVIC, Consul General of the Republic of Serbia in Istanbul and Permanent Representative of the Republic of Serbia to the BSEC PERMIS.

3. The following BSEC Member States attended the Meeting:

Republic of Armenia
Republic of Bulgaria
Hellenic Republic
Romania
Russian Federation
Republic of Serbia
Republic of Turkey
Ukraine

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:

Czech Republic
Slovak Republic

The List of Participants is attached as Annex I.

6. 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

7. The representatives of the Republic of Turkey presented information on recent activities of the Republic of Turkey in promoting secure and commercially viable North-South and more recently East-West oil and gas transit projects; and on the electrical interconnections between the Republic of Turkey and the BSEC Member States. The presentations are attached as Annex III.

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

8. The Working Group took note of the information presented by the BSEC PERMIS in the context of this item.

STEPS TO BE UNDERTAKEN IN ORDER TO ADVANCE TOWARDS THE GOAL OF ESTABLISHING OF AN INTEGRATED BLACK SEA ENERGY MARKET

9. In accordance with the decision taken at its previous meeting on 5-6 December 2011, the Working Group devoted a special session on 3 April 2012 for consideration of this item.

10. The representatives of the Republic of Turkey made presentations about the recent developments in the Turkish electricity market. The presentations are attached as Annex IV.

11. The participants exchanged views on further steps and activities the Working Group should consider in order to advance towards the goal of the establishment of an integrated Black Sea energy market.

12. The Working Group took note of the Working Paper prepared by the BSEC PERMIS containing proposals regarding the legal framework and other steps for developing an integrated energy market in the BSEC Region.

13. The Working Group decided to continue examining this issue at its next meeting and invite the Member States to present on that occasion their proposals regarding the design of the integrated Black Sea energy market and the practical steps to be undertaken in order to implement it.

COOPERATION OF THE BSEC MEMBER STATES IN DEVELOPING ELECTRICAL INTERCONNECTIONS AMONG THEM

14. The representative of the Republic of Serbia made a presentation on the interconnection of electrical power systems of the Republic of Serbia and Romania and informed on the progress achieved by Serbia.

15. The representative of the Republic of Turkey made a presentation on two electrical interconnection projects in the BSEC Region: the Black Sea Regional Transmission Planning Project and the “Azerbaijan-Georgia-Turkey Power Bridge”, which are being implemented with

the financial support of the USAID and technical support of USEA. The presentation is attached as Annex V.

COOPERATION OF THE BSEC MEMBER STATES IN EXPLORATION AND EXTRACTION OF HYDROCARBON RESOURCES OF THE BLACK SEA

16. The representative of the Republic of Turkey made a presentation on activities of the Turkish Petroleum Corporation (TPAO) that could be of interest for the regional cooperation in the exploration and extraction of hydrocarbon resources of the Black Sea. The presentation is attached as Annex VI.

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

17. The Working Group took note of the information presented by the BSEC PERMIS on the cooperation activities between BSEC and other international organizations and institutions and on the international events devoted to the regional cooperation in the field of energy.

PROJECT DEVELOPMENT FUND: PROJECT APPLICATIONS IN THE FIELD OF ENERGY

18. The Project Coordinator of the BSEC Project Development Fund and the representative of the team of partners of the project entitled "Renewable Energy Sources (RES)", conducted by the Republic of Turkey as leading partner, Bulgaria and Romania, made a presentation of the final report and the results achieved. The presentation of the representative of the team of partners is attached as Annex VII.

19. The Working Group welcomed the successful completion of the objectives of this project, in conformity with the approved application.

PREPARATION OF THE MEETING OF THE MINISTERS IN CHARGE OF ENERGY OF THE BSEC MEMBER STATES (BELGRADE, 11 APRIL 2012)

20. The Draft Agenda for the Meeting of the Ministers in charge of Energy, which will be held in Belgrade on 11 April 2012, was discussed and finalized. The Draft Agenda is attached as Annex VIII.

21. The delegation of the Republic of Serbia, in its capacity as the BSEC Chairman-in-Office, prepared a draft "Declaration on the Enhancement of the Gas Infrastructure Development" for the Meeting of the Ministers in charge of Energy.

22. The Working Group discussed, amended and finalized the draft "Declaration of the Ministers in charge of Energy on the Enhancement of the Gas Infrastructure Development" and submitted it to the Meeting of Ministers. The Draft Declaration is attached as Annex IX.

ANY OTHER BUSINESS

23. Under this agenda item, the representative of the BSEC PERMIS made a presentation of the Report of the first Meeting of the Green Energy Development Task Force that took place on 2 April 2012 in Istanbul, at the BSEC Headquarters.

24. The Working Group took note with appreciation of the Report of the first Meeting of the Green Energy Development Task Force.

DATE AND VENUE OF THE NEXT MEETING

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

ADOPTION OF THE REPORT

26. 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.
