



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**

BSEC Headquarters, 1 December 2016

1. The Meeting of the BSEC Working Group on Energy was held at the BSEC Headquarters, on 1 December 2016.
2. The Meeting was chaired by Mr. Vladan LAZOVIC, Minister Counsellor, Special Representative of the Serbian Chairmanship-in-Office of BSEC, Ministry of Foreign Affairs of the Republic of Serbia.
3. The following BSEC Member States attended the Meeting:

Republic of Armenia
Republic of Azerbaijan
Republic of Bulgaria
Hellenic Republic
Russian Federation
Republic of Serbia
Republic of Turkey
4. The following Guest attended the Meeting:

Energy Policy and Development Centre (KEPA), National and Kapodistrian University of Athens

5. 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**.

AGENDA ITEM 2: IMPLEMENTATION OF THE RESOLUTIONS, DECISIONS, RECOMMENDATIONS OF THE COUNCIL OF MINISTERS OF FOREIGN AFFAIRS AND THE FOLLOW-UP OF THE DECLARATIONS AND JOINT STATEMENTS ADOPTED BY THE MEETINGS OF THE MINISTERS IN CHARGE OF ENERGY

7. The Working Group took note of the information provided by the BSEC PERMIS on the status of the implementation of the Resolutions and Decisions of the BSEC Council related to the work of the Working Group on Energy and the follow-up of the Declarations and Joint Statements adopted by the Ministers in charge of Energy.

AGENDA ITEM 3: IMPLEMENTATION OF THE PRIORITIES FOR THE SECOND MEDIUM-TERM (2016-2018) OF THE “BSEC ECONOMIC AGENDA TOWARDS AN ENHANCED BSEC PARTNERSHIP”

8. The Working Group took note of the information provided by the BSEC PERMIS on the implementation of the priorities for the second medium-term (2016-2018) of the “BSEC Economic Agenda towards an Enhanced BSEC Partnership”.
9. The Working Group invited the Member States to transmit to the BSEC PERMIS **until 31 March 2017**, their proposals regarding projects and other activities that could be undertaken corresponding to approved priorities of the Working Group on Energy for the second Medium-Term (2016-2018) of the implementation of the “BSEC Economic Agenda 2012”, which will be discussed at its next meeting.

AGENDA ITEM 4: DISCUSSION ON DEVELOPMENT OF THE BLACK SEA ENERGY MARKET

10. The Working Group took note of the updated *Background Paper on Development of the Black Sea Energy Market* prepared by the BSEC PERMIS.
11. The Working Group exchanged views and decided to revert to consideration of this issue at a future meeting, upon a specific proposal to this effect made by one or more Member States.
12. The delegation of the Republic of Azerbaijan made a Statement, which is attached as **Annex III**.
13. The delegation of the Republic of Armenia made a Statement in reply to the statement of the Republic of Azerbaijan, which is attached as **Annex IV**.

AGENDA ITEM 5: GREEN ENERGY:

14. The Participants exchanged views of the draft Green Energy Strategy Paper of the BSEC Member States, which is attached as **Annex V**.

15. The Working Group invited the Member States to convey their comments and proposals concerning the text of the draft Green Energy Strategy Paper until **31 March 2017**.
16. The Working Group welcomed the readiness of the Country-Coordinator (the Russian Federation) to elaborate a revised text for the draft Green Energy Strategy Paper in the light of the comments and proposals made by the Member States and to submit it for consideration at the next meeting of the Working Group.
17. The delegation of the Republic of Azerbaijan supported the initiative of the Country-Coordinator and expressed its intention to contribute to the elaboration of the draft document.
18. The Working Group took note with appreciation of the state of development and the activities undertaken by the BSEC Green Energy Network coordinated by the Energy Policy and Development Centre of the National and Kapodistrian University of Athens (KEPA), under the supervision of the BSEC PERMIS.
19. The Working Group invited the Member States to nominate national governmental bodies, academia and research institutions, as well as companies active in the area of Green Energy to participate in the BSEC Green Energy Network and in particular, for the Member States that have not done so, to confirm, at their earliest convenience, their agreement with the inclusion in the Network of the research institutes and universities which expressed their interest for participating in the Network in their direct contacts with KEPA.
20. The Working Group took note of the four project proposals prepared by the BSEC Green Energy Network, under the coordination of KEPA, in consultation with the BSEC PERMIS, to be further elaborated and finalized, with the view to be submitted for funding by international financial institutions and other donors. The proposals in question are attached as **Annex VI**. The Working Group invited the BSEC PERMIS to provide to the Member States information as to the elaboration of the said project proposals, as it becomes available.
21. The Working Group welcomed the organization of the BSEC Green Energy Investment Forum on 12 October 2016 in Athens, by the BSEC Green Energy Network, and expressed its support for having an Investment Forum bi-annually, bringing together government officials responsible with the promotion of Green Energy, representatives of the banking sector, the business communities and NGOs.
22. The Working Group took note of the intention of the KEPA to examine the development of a BSEC Green Energy Investment Fund, with the possible cooperation of the Black Sea Trade and Development Bank (BSTDB) and the BSEC PERMIS, to be supported by the Green Climate Fund (GCF) and Green Energy Facilities (GEF) funds.
23. The delegation of the Republic of Armenia informed the participants on the Solar PV Investment Conference to be held on 25th January 2017 in Yerevan, in the framework of the Utility Scale Solar PV Project. More detailed information will be provided to the Member States through the BSEC PERMIS in due course.

24. The delegation of the Republic of Azerbaijan expressed its readiness to share information on Renewable Energy Resources mapping experience in Azerbaijan.

AGENDA ITEM 6: COOPERATION OF THE BSEC MEMBER STATES IN EXPLORATION AND EXTRACTION OF HYDROCARBON RESOURCES OF THE BLACK SEA

25. The Working Group decided to consider this issue during its future meetings upon a specific proposal to this effect made by one or more Member States.

AGENDA ITEM 7: IMPROVEMENT OF INVESTMENT OPPORTUNITIES IN THE ENERGY SECTOR OF THE BSEC MEMBER STATES FOR UPGRADING INFRASTRUCTURE AND PROMOTING ENERGY EFFICIENCY IN THE BSEC REGION

26. The Working Group decided to consider this issue during its future meetings upon a specific proposal to this effect made by one or more Member States.

AGENDA ITEM 8: COOPERATION OF THE BSEC MEMBER STATES IN DEVELOPING ELECTRICAL INTERCONNECTIONS

27. The delegations of the Russian Federation and the Republic of Serbia informed the participants on ongoing activities and regional projects in promoting Electrical Interconnections with neighbouring countries.

AGENDA ITEM 9: DEVELOPMENT OF COOPERATION BETWEEN BSEC AND OTHER INTERNATIONAL ORGANISATIONS AND AGENCIES IN THE FIELD OF ENERGY

28. The Working Group took note of the information provided by the BSEC PERMIS and requested to continue actively promoting cooperation with other international organizations in the field of energy.

AGENDA ITEM 10: RECENT DEVELOPMENTS IN THE FIELD OF ENERGY IN THE BSEC MEMBER STATES

29. The delegations of the Republic of Serbia and the Republic of Turkey presented information on ongoing activities and regional projects with neighbouring countries.

AGENDA ITEM 11: ANY OTHER BUSINESS

30. No issue was raised under this Agenda item.

AGENDA ITEM 12: DATE AND VENUE FOR THE NEXT MEETING

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

AGENDA ITEM 13: ADOPTION OF THE REPORT

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