



**BS/EN/WG/R(2009)1**

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

**Yerevan, 18-19 March 2009**

1. The Meeting of the BSEC Working Group (WG) on Energy was held in Yerevan, the Republic of Armenia, on 18-19 March 2009.
2. The Meeting was chaired by Mr. Levon VARDANYAN, Head of Development Department, Ministry of Energy and Natural Resources of the Republic of Armenia. The Deputy Minister of Energy and Natural Resources of the Republic of Armenia H.E. Dr. Areg GALSTYAN opened the meeting with welcoming remarks.
3. The Meeting of the Working Group was attended by the following BSEC Member States:
  - Republic of Armenia
  - 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 Belarus and the representatives of the Delegation of the European Commission to Armenia as BSEC Observers.
5. The Meeting was also attended by the U.S. Agency for International Development (USAID) as a Guest.

6. The Draft Agenda of the Meeting was discussed and adopted. The Agenda, as adopted by the WG, 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**

7. The national delegations exchanged information on the subject. Additionally, the delegation of the Republic of Armenia made a presentation on the New System of Metering and Data Acquisition of the Wholesale Power Market as a result of assistance provided by the USAID in the framework of the BSTP project.

8. The national delegations also exchanged information on the changes in their energy policies in the wake of recent severe disruptions in energy supplies and global financial and economic crisis. The participants underlined that the implementation of some national and regional projects in energy might face difficulties due to the worsening regional and global environment. However, some delegations emphasised that the implementation of certain priority regional projects to ensure energy security in the wider Black Sea area and in Europe will be pursued as scheduled. The need for more substantial assistance of the international community and, in particular, the EU to the most vulnerable countries was stressed by the participants.

9. In this respect the participants decided to continue discussions on this issue at its subsequent meetings with more analysis of the impact of the evolving situation on their national energy policy and on the implementation of the energy projects also with the view of possible appropriate recommendations for measures to be undertaken in the framework of BSEC.

**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**

10. The WG considered the issues under the Agenda Item and agreed on as follows:

a. Elaboration of the long-term regional plan of action/strategy on energy

11. The participants exchanged views and ideas on the issue. As a result of deliberations and suggestions made, the WG requested the PERMIS to prepare the draft outlines of the BSEC strategy on energy till 2020. The draft paper shall be prepared and disseminated to the Member States by the end of June 2009.

b. Enhancing the role and the status of the PERMIS in activities of the WG

12. The WG discussed the issue and recommended that the role and the authority of PERMIS should be enhanced in order to increase the efficiency and effectiveness of the activities of the WG and to further advance the cooperation in energy in the framework of BSEC. The WG appealed to the relevant BSEC bodies to consider the matter.

c. Regional study on energy prepared by the ICBSS on the basis of the information submitted by the BSEC Member States

13. The PERMIS informed the WG on the current state of affairs of the regional study on energy which is in its completion phase. The national delegations exchanged views and opinions on the ways to bring it into fruition. In this regard, the WG agreed to convene a special meeting in September 2009 devoted to the regional energy study with the aim of its finalization and preparation of the recommendations for subsequent actions.

14. In this regard, the WG decided that PERMIS will disseminate the regional study with the recent updates submitted by the BSEC countries by the end of March 2009.

d. Consideration of the Report of the Meeting of the AHWGEEN held on 29-30 January 2009

15. The WG considered and approved the Report of the AHWGEEN and the Plan of Action of the Group and decided to submit it to the next Meeting of BSEC Committee of Senior Officials to be held in Yerevan on 14-15 April 2009.

16. Furthermore, the WG decided to submit the following draft decision for consideration by the Committee of Senior Officials and eventual adoption by the BSEC Council to be held on 16 April 2009 in Yerevan:

*“The Council took note of the Report of the AHWGEEN and of the Plan of Action for 2009-2010 of the Group and encouraged the Group to undertake measures for its effective implementation.”*

e. Consideration of the activities of the Ad Hoc Working Group for Cooperation between BSEC Member States in Exploration and Extraction of Hydrocarbon Resources of the Black Sea

17. The WG took note of the information provided by the delegation of the Republic of Turkey regarding the forthcoming meeting of the Group envisaged to be held during the second half of May. It was agreed that the Republic of Turkey will forward to BSEC PERMIS the proposed dates regarding the next meeting of the Group for dissemination to the Member States.

18. In this regard, it is expected that the exploration and production experts of oil companies from the Member States will participate in the meeting which will be held in the Republic of Turkey in the second half of May 2009.

19. The WG kindly requested the incoming BSEC Chairmanship-in-Office to consider the inclusion of the said meeting in the BSEC Calendar of Events for the period.

20. Furthermore, the delegation of the Republic of Turkey kindly requested the BSEC Member States to facilitate the nomination of a contact person from each BSEC Member State, as was requested earlier by the Country-Coordinator.

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

21. The WG extensively discussed, amended and agreed on the “Draft Proposals for the Joint BSEC-EU Plan of Action in Energy” and decided to submit the said document for consideration to the Meeting of the BSEC Ministers of Energy to be held in Yerevan on 20 March 2009.

22. The WG acknowledged with appreciation the participation and contribution to the deliberations of the said draft document of the representatives of the EU Commission.

### **DISCUSSION AND PREPARATION OF THE DECLARATION TO BE ADOPTED BY THE BSEC MINISTERS OF ENERGY**

23. The WG thoroughly discussed, amended and agreed on the “Yerevan Declaration on Energy Cooperation in the BSEC Region” and decided to submit it for the consideration of the BSEC Ministers of Energy that will meet in Yerevan on 20 March 2009.

### **PRESENTATION BY THE REPUBLIC OF ARMENIA AS COUNTRY-COORDINATOR OF THE INTERIM ASSESSMENT REPORT OF THE ACTIVITIES OF THE WGE. DISCUSSION ON THE MEASURES TO BE UNDERTAKEN FOR ENHANCING EFFICIENCY AND EFFECTIVENESS OF THE WGE AND FOR THE EFFECTIVE EXECUTION OF THE PLAN OF ACTION**

24. The delegation of the Republic of Armenia in its capacity as the Country-Coordinator submitted the Evaluation Report of the activities of the WG during the period 2007-2009. The said document is attached as Annex II.

25. The WG considered the Evaluation Report and decided to submit it to the Committee of Senior Officials for its consideration. The WG expressed its appreciation to the relevant authorities of the Republic of Armenia for the preparation of the Evaluation Report and for leading the activities of the WG during their term as Country-Coordinator.

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

26. Upon the provisions of the new Manual of Operations of the Project Development Fund and the instructions of the Committee of Senior Officials, the Working Group decided that the priority project areas for the current and forthcoming two year period and according to its Action Plan are:

- a) Renewable Energy;
- b) Energy Efficiency.

27. The Working Group welcomes PDF projects in the said priority areas that introduce advanced technologies, support efforts leading to sustainable development, contribute to improving environmental conditions and in general, projects that promote a cleaner and more competitive energy perspective for the future in the BSEC region.

28. Projects in these areas could include initiatives to harmonize and strengthen the applicable legislative framework in the Member States, making it more relevant to the recognized international best practice and more relevant to encouraging investments and economic growth in the BSEC region.

29. Furthermore, the Working Group encouraged the participation of additional non-BSEC partners in the said projects, the transfer of know-how, as well as project cost sharing from BSEC Observers, Sectoral Dialogue Partners, international energy institutions, development agencies and other bodies actively involved in the Black Sea Region.

#### **ANY OTHER BUSINESS**

30. Under the Agenda item the following issues were raised and considered by the WG:

- a. Nomination of the Country-Coordinator of the WG on Energy

31. As the term of the incumbent Country-Coordinator of the WG will expire in May 2009, the WG invited the BSEC Member States to consider the matter with their relevant national authorities and express their interest to assume the respective role and inform BSEC PERMIS accordingly. It was agreed that the issue will be considered at the forthcoming meeting of the WG.

- b. Regional projects for the WG

32. At its previous meeting (Istanbul, 19-20 November 2008), the WG positively considered the idea of BSEC regional projects based on the ongoing regional projects in energy and decided to submit to BSEC PERMIS appropriate proposals.

33. The WG appealed to the relevant authorities of the BSEC countries to facilitate the consideration of the matter and submission of their proposals to BSEC PERMIS.

- c. Establishment of the Council of BSEC Ministers of Energy

34. At its previous Meeting of the WG (Istanbul, 19-20 November 2008) the national delegations agreed to consider the issue with the relevant national authorities and submit to BSEC PERMIS the opinion of their countries on the issue.

35. The WG once again appealed to the relevant national authorities to expedite the consideration of the issue and communicate their views on the subject to BSEC PERMIS.

d. Appointment of national experts to the WG on a long-term basis

36. The WG invited the Member States who have not yet done so, to appoint their representatives on long-term basis.

e. The initiative on organising the workshop suggested by the Republic of Turkey

37. The WG took note of the information presented by the Republic of Turkey regarding the “Workshop on District Heating” that is envisaged to be held in Ankara during the forthcoming BSEC Chairmanship-in-Office.

38. The WG expressed its appreciation to the Republic of Turkey for this initiative and kindly asked the organizers to forward PERMIS more detailed information about the event for dissemination to the Member States.

39. Furthermore, the WG invited the incoming BSEC Chairmanship-in-Office to include the said event in the BSEC Calendar of Events for the period and also invited the Member States to express their interest regarding their participation.

### **EXPRESSION OF THANKS**

40. The participants expressed their gratitude to the Government of the Republic of Armenia and the Ministry of Energy and Natural Resources of the Republic of Armenia for the hospitality and the excellent organisation of the Meeting.

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

41. 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**

42. The Working Group adopted the present Report for submission to the forthcoming Meeting of the Committee of Senior Officials of the BSEC Member States to be held in Yerevan on 14-15 April 2009 preceding the Twentieth Council of the Ministers of Foreign Affairs of the BSEC Member States (Yerevan, 16 April 2009).