



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, 11-12 June 2013

1. The Meeting of the BSEC Working Group (WG) on Energy was held in Istanbul, at the BSEC Headquarters, on 11-12 June 2013.
2. The Meeting was chaired by Mr. Serhii KRAVCHENKO, Consul Responsible for the BSEC Issues, Consulate General of Ukraine in Istanbul
3. The following BSEC Member States attended the Meeting:

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

The List of Participants is attached as Annex I.

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

**IMPLEMENTATION OF THE RESOLUTIONS, DECISIONS, RECOMMENDATIONS
OF THE COUNCIL OF MINISTERS OF FOREIGN AFFAIRS AND THE FOLLOW-UP
OF THE DECLARATIONS AND JOINT STATEMENT ADOPTED BY THE MEETINGS
OF THE MINISTERS IN CHARGE OF ENERGY**

5. The participants took note of the information provided by the BSEC PERMIS in the context of this item.

6. The Member States were invited to consider the possibility of assuming the position of the Country-Coordinator of the WG on Energy.

THE WAY FORWARD FOR AN ACTION PLAN ON THE IMPLEMENTATION OF THE “BSEC ECONOMIC AGENDA: TOWARDS AN ENHANCED BSEC PARTNERSHIP”

7. The Working Group considered the themes approved by the Council in the document “The Way Forward on the Implementation of the BSEC Economic Agenda” on which it should focus on in 2013-2015:

- Enhancing cooperation among the BSEC Member States in the energy sector, including through the elaboration of common approaches (i.e. Green Energy Strategy) and projects, where possible.
- Developing a competitive regional energy market through supporting investments in energy infrastructure, with the view to increase energy security, interconnectivity and further diversify energy sources and routes.
- Further promoting the development of the projects on interconnection of electric power systems of the BSEC Member States.

8. The Working Group expressed its readiness to cooperate on the basis of the above-mentioned priorities and agreed to enhance the cooperation in conformity with the roadmap designated by the Action Plan.

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. The representative of the Republic of Turkey made a presentation on “General Overview of Energy Sector in Turkey”. The presentation is attached as Annex III.

10. With this regard, the participants highlighted the importance of the exchange of information on the recent developments in the field.

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

11. The representative of the BSEC PERMIS recalled the Working Paper presented by the BSEC PERMIS at the previous meetings of the Working Group containing proposals regarding the legal framework and other steps for developing an integrated energy market in the BSEC Region.

12. The Working Group took note of the proposals made by the BSEC PERMIS and requested the Latter to elaborate, in cooperation with the BSEC Related Bodies, and international organizations, a draft Memorandum of Intent (MoI), which is opened for the interested BSEC Member States, defining:

- the general and specific goals of establishing a BSEC regional energy market;
- the concept of a BSEC regional energy market;
- a mechanism for implementation and monitoring, with the aim to advance towards the goals defined in the MoI.

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

13. The representative of the Republic of Turkey presented information on “Existing and Prospective Electricity Interconnections of Turkey”, which is attached as Annex IV.

14. The participants exchanged views on the subject, in the light of the priorities established by “BSEC Economic Agenda: Towards an Enhanced BSEC Partnership”.

15. With reference to the Goal 4 of the Economic Agenda on “Sustainable Energy and Development of the Black Sea Energy Market”, the Working Group decided:

a) to explore the possibilities of undertaking a study on developing electrical interconnections in the BSEC Region, aiming at:

- reviewing efforts undertaken within the BSEC framework and identifying the obstacles that prevented progress;
- reviewing the state of electrical interconnections among the BSEC Member States, achieved bilaterally or multilaterally outside the BSEC framework;
- elaborating recommendations on action that could be taken to develop electrical interconnections for examining and promoting implementation.

b) to invite, with this regard, the Member States to communicate through BSEC PERMIS their observations and proposals on the feasibility of such a study;

c) to request the BSEC PERMIS to explore the potential interest of the BSEC Related Bodies and national and international organizations and institutions in supporting financially the elaboration of the study.

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 presented information on the policy and activities of Turkey in this sector, which could be of interest for the regional cooperation in the exploration and extraction of hydrocarbon resources of the Black Sea. The information is attached as Annex V.

17. The BSEC PERMIS presented information about the “Black Sea Oil and Gas Forum (BSOGF) – 2013” (Sofia, 6-7 March 2013), in which BSEC participated as a partner organization, and the “Black Sea Oil and Gas Conference” organized in Istanbul on 4-5 June 2013.

18. The Working Group took note of the above mentioned information and:

a) invited the Member States to keep informing, through the BSEC PERMIS, on recent developments and activities relevant to cooperation in exploration and extraction of hydrocarbon resources of the Black Sea;

b) invited the Member States upon the instruction by the BSEC Council of Ministers of Foreign Affairs, at its 25th Meeting, to identify concrete projects which could attract the active involvement of the private sector and to explore possibilities of adequate financing schemes by national and international institutions;

c) invited the Member States to elaborate the concrete project proposals aimed at exploration and extraction of hydrocarbon resources of the Black Sea that might be undertaken in the framework of BSEC Organization, and communicate them through the BSEC PERMIS for further examination in the Working Group.

COOPERATION OF THE BSEC MEMBER STATES IN THE ENHANCEMENT OF THE GAS INFRASTRUCTURE DEVELOPMENT

19. The participants took note of the information provided by the BSEC PERMIS in the context of this item.

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

20. The participants exchanged views on this matter, in light of the provisions of the Declaration of the Ministers in charge of Energy of the BSEC Member States (Belgrade, 11 April 2011), related to exploring the possibilities for improvement of investment opportunities in the energy sector of the BSEC Member States for upgrading infrastructure and promoting energy efficiency in the BSEC Region.

21. The Working Group invited the Member States to communicate their views regarding the possibility of establishing a Regional Energy Infrastructure Fund, launched at the Meeting of the Ministers in charge of Energy (Sofia, 28 January 2010).

22. The Working Group decided to continue the consideration of the issue of improvement of the investment opportunities in the energy sector of the BSEC Member States at its next meeting.

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

23. The Working Group took note of the information on this issue presented by the BSEC PERMIS and instructed the Latter:

- a) to continue the consultations with the secretariats of other international and regional organizations and agencies active in the energy sector, with the view to identifying and implementing projects and activities that correspond to the priorities of cooperation among the Member States;
- b) to enhance cooperation with international organizations and institutions in the field of energy and, to the extent possible, participate in the events and initiatives which are of interest for the Organization of BSEC.

24. The Working Group invited the Member States, the Related Bodies, the Observers and the Sectoral Dialogue Partners to inform, through the BSEC PERMIS, of any developments relevant to the cooperation in the field of energy in the BSEC framework.

PROJECT DEVELOPMENT FUND: PROJECT APPLICATIONS IN THE FIELD OF ENERGY

25. The participants took note of the information provided by the BSEC PERMIS about the activities of the BSEC Project Development Fund (PDF) in the field of energy.

REPORT OF THE MEETING OF THE GREEN ENERGY DEVELOPMENT TASK FORCE (ISTANBUL, 10 JUNE 2013)

26. The participants took note of the Report of the Meeting of the Green Energy Development Task Force (Istanbul, 10 June 2013).

IMPLEMENTATION OF THE BSEC PUBLIC COMMUNICATION STRATEGY

27. The participants took note of information provided by the BSEC PERMIS regarding the newly adopted BSEC Public Communication Strategy.

ANY OTHER BUSINESS

28. No issue was raised under this agenda item.

DATE AND VENUE OF THE NEXT MEETING

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

ADOPTION OF THE REPORT

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