

#### ORGANIZATION OF THE BLACK SEA ECONOMIC COOPERATION

#### **Permanent International Secretariat**

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5 November 2014

BS/EN/WG/R(2014)2

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

### **BSEC Headquarters, 4-5 November 2014**

- 1. The Meeting of the BSEC Working Group (WG) on Energy was held at the BSEC Headquarters, on 4-5 November 2014.
- 2. The Meeting was chaired by Ambassador Michael B. CHRISTIDES, Coordinator of the Hellenic Chairmanship-in-Office of the Organization of BSEC.
- 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

4. The following BSEC Related Body also participated in the Meeting:

International Centre for Black Sea Studies (ICBSS)

5. The following BSEC Observer attended the Meeting:

**European Commission** 

6. The following Guest attended the Meeting:

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

The List of Participants is attached as Annex I.

7. The Draft Agenda of the Meeting was discussed and adopted. The Agenda, as adopted by the Working Group, is attached as <u>Annex II.</u>

# 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 STATEMENT ADOPTED BY THE MEETINGS OF THE MINISTERS IN CHARGE OF ENERGY

## A - Issues regarding the activities of the Working Group on Energy

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

#### **B** - Youth and Sports issues

- 9. The participants discussed the possibilities of inclusion of Youth and Sports issues in the agenda of the Working Group on Energy, with a view to implement the provisions of the Declaration adopted by the Ministers in charge of Youth and Sports of the BSEC Member States in Varna, on 25 April 2014.
- 10. The participants expressed various ideas and proposals on the subject, among them to:
  - introduce educational programs promoting the concept of green energy and energy conservation among higher level students;
  - promote the sponsoring of sports events among the youth of Member States by energy institutions and companies;
  - formulate and promote programs of apprenticeship in the energy field that could attract the interest of students or young professionals.
- 11. The participants agreed that all ideas and suggestions expressed or to be forwarded by the Member States should be formulated in written form by the proponents and circulated through the BSEC PERMIS to the Member States for further consideration.

# AGENDA ITEM 3: 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

- 12. The Delegation of the Republic of Azerbaijan made a presentation on recent developments regarding cooperation projects in the field of energy. The presentation is attached as <u>Annex III</u>.
- 13. The Delegation of the Republic of Turkey made a presentation and pointed out the importance of energy security for the BSEC Region in order to provide sustainable development in the BSEC Member States.

- 14. The presentations were followed by further information provided by Member States and by the exchange of views among participants.
- 15. The participants exchanged views on the Project Proposal on "Launching a BSEC Energy Conservation Campaign" submitted by the BSEC PERMIS. Member States were invited to provide further suggestions for the improvement of the above Proposal.

## AGENDA ITEM 4: STEPS TO BE UNDERTAKEN IN ORDER TO ADVANCE TOWARDS THE GOAL OF ESTABLISHING AN INTEGRATED BLACK SEA ENERGY MARKET

16. The participants agreed that this issue should be discussed at the next meeting of the Working Group, in a special session, with the participation of experts from energy regulators of the Member States and from international and regional institutions with practical experience in development of energy markets with a view to defining the way forward.

## AGENDA ITEM 5: COOPERATION OF THE BSEC MEMBER STATES IN DEVELOPING ELECTRICAL INTERCONNECTIONS AMONG THEM

- 17. The Delegation of the Republic of Turkey made a presentation on "Existing and Prospective Electricity Interconnections of Turkey", which is attached as <u>Annex IV</u>.
- 18. The Working Group, stressing the need for updated information from all BSEC Member States on their existing electrical interconnections, invited the latter to provide, through the BSEC PERMIS, all useful information on the above as well as proposals on the prospects of developing the electrical interconnections among them.
- 19. The representative of the European Commission expressed its readiness to provide relevant contributions to this end.
- 20. The participants agreed that this issue should be discussed at the next meeting of the Working Group with the participation of experts from the Member States, the Black Sea Regional Transmission System Planning Project (BSTP) and other relevant international institutions and agencies.

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

21. The Delegations of the Republic of Bulgaria, Romania and the Republic of Turkey presented information about the activities in their countries in exploration and extraction of hydrocarbon resources of the Back Sea.

## AGENDA ITEM 7: COOPERATION OF THE BSEC MEMBER STATES IN THE ENHANCEMENT OF THE GAS INFRASTRUCTURE DEVELOPMENT

22. The participants exchanged views on the issue. Particular references were made to the prospects of using Liquefied Natural Gas (LNG), to ways and means for energy security and to the possible involvement of the Black Sea Trade and Development Bank (BSTDB) and the BSEC Business Council in the elaboration of regional projects in this field.

# AGENDA ITEM 8: IMPROVEMENT OF INVESTMENT OPPORTUNITIES IN THE ENERGY SECTOR OF THE BSEC MEMBER STATES FOR UPGRADING INFRASTRUCTURE AND PROMOTING ENERGY EFFICIENCY IN THE BSEC REGION

23. The participants exchanged views on the issue.

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

- 24. The participants took note of the information provided by the BSEC PERMIS.
- 25. The participants stressed the importance of strengthening the cooperation between BSEC and other international organizations and agencies in the field of energy.
- 26. Some Member States agreed on the utility of establishing contacts with the secretariats of such international organizations and agencies, in particular the Energy Community Secretariat, the Mediterranean Energy Regulators, the International Energy Agency and on exploring possibilities of interaction. As no common understanding on the issue was reached, further discussion on it was deferred to the next meeting of the Working Group.

# AGENDA ITEM 10: THE "WAY FORWARD FOR AN ACTION PLAN ON THE IMPLEMENTATION OF THE "ECONOMIC AGENDA TOWARDS AN ENHANCED BSEC PARTNERSHIP" AND THE "GUIDELINES FOR THE BSEC PROJECT MANAGEMENT UNIT"

- 27. The Working Group took note of the presentation on the Guidelines for the BSEC Project Management Unit, delivered by the BSEC PERMIS.
- 28. The Working Group invited the Member States to submit project proposals in compliance with the Guidelines and aimed at implementing the priority goals of the Economic Agenda 2012.

## AGENDA ITEM 11: REPORT OF THE MEETING OF THE GREEN ENERGY DEVELOPMENT TASK FORCE

- 29. The Working Group took note of the Report of the Meeting of the Green Energy Development Task Force (BSEC Headquarters, 3 November 2014).
- 30. The Working Group agreed to take over the activities and functions of the Green Energy Development Task Force and to submit to the Committee of Senior Officials (CSO) the following draft Resolution for consideration by the Council of Ministers of Foreign Affairs (CMFA):
  - "The Council decided to transfer the activities and functions of the Green Energy Development Task Force to the BSEC Working Group on Energy."
- 31. The Working Group welcomed the agreement reached by the Task Force on the creation of the BSEC Network of cooperation between centres and national administrative bodies/organisations and academic institutions, mandated to promote renewable energy sources

and energy efficiency measures and policies, reflected in the Modalities of the "BSEC Green Energy Network of Cooperation", which will guide the establishment and functioning of the Network.

## AGENDA ITEM 12: REVIEW OF THE TERMS OF REFERENCE OF THE WORKING GROUP ON ENERGY

32. The Working Group agreed on the new Terms of Reference of the Working Group on Energy, which are attached as Annex V, to be submitted for consideration by the Committee of Senior Officials.

## AGENDA ITEM 13: HOW TO INCREASE THE EFFICIENCY OF THE WORK OF THE WORKING GROUP ON ENERGY? – OBSERVATIONS AND SUGGESTIONS

- 33. The participants exchanged views on the issue. Among the proposals made by the Member States were to:
  - convene meetings of the Working Group also in Member States;
  - include in the agendas of the meetings concrete project proposals and items formulated by the competent Ministries of the Member States.
- 34. The participants agreed that the meaningful elaboration of the BSEC projects in the field of energy can be achieved in case the proper consistency and continuity in the process of their discussion and implementation are secured.
- 35. The participants took note of the proposal by the Chairman-in-Office that the meetings of the Working Group on Energy should take place preferably if the quorum is achieved with the presence of experts from the Member States.

#### **AGENDA ITEM 14: ANY OTHER BUSINESS**

36. No issue was raised under this agenda item.

### AGENDA ITEM 15: DATE AND VENUE FOR THE NEXT MEETING

37. The participants took note of the proposal of the BSEC PERMIS to convene the next meeting of the Working Group on 12-13 May 2015. The date and venue of the next meeting of the Working Group will be communicated to the Member States through the BSEC PERMIS, after the approval of the Calendar of Events of the incoming Moldovan BSEC Chairmanship-in-Office.

#### **AGENDA ITEM 16: ADOPTION OF THE REPORT**

38. 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.