



BS/EN/WG/R(95)1

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

Athens, 21 - 23 February 1995

1. The Meeting of the Working Group (WG) on Energy was held on 21-23 February 1995 in Athens, Greece.
2. The Meeting was chaired by Dr. A.A. FATOUROS, Professor of International Economic Law in the Faculty of Political Science at the University of Athens.
3. The Meeting was attended by the following Participating States of the BSEC.

Republic of Albania
Republic of Armenia
Republic of Bulgaria
Republic of Georgia
Hellenic Republic
Republic of Moldova
Romania
Russian Federation
Republic of Turkey
Ukraine
4. The representatives of Egypt and Israel as well as of the BSEC Council and the International Black Sea Club attended the Meeting as Observers.
5. The Meeting was also attended by the representatives of the European Commission, the UN Economic Commission for Europe and the Black Sea Regional Energy Centre as guests.

The list of participants of the Meeting is attached as Annex I.

6. Mr. Anastassios MANDELIS, General Secretary of the Ministry of Industry, Energy and Technology of the Hellenic Republic, made an inaugural statement to the Meeting. The text of the statement is attached as Annex II.

7. The draft agenda of the Meeting was discussed and adopted. The agenda, as adopted by the WG, is attached as Annex III.

ENERGY SITUATION IN THE BSEC PARTICIPATING STATES

8. The WG reviewed the collection of country statements on the energy situation in the BSEC Participating States prepared by the Secretariat upon the instruction of the previous meeting of the WG held in Varna with the assistance of the Energy Division of the UN Economic Commission for Europe.

At the request of the WG, Mr. Slav SLAVOV, Economic Affairs Officer of the UN ECE, presented a relevant study bringing out the common themes, issues and ideas in the papers.

9. Certain delegations presented additional information to be incorporated into their country reports.

10. The WG found the collection of country statements and the introductory paper of particular interest and expressed its thanks to the Secretariat, the UN ECE and Mr. SLAVOV personally.

11. In accordance with the decision of its previous meeting held in Varna, the WG instructed the Secretariat to publish the statements of the delegations as a separate booklet, using the UN ECE study as an introduction, so that it can be presented to the Fifth MMFA for the information of all parties interested in developing energy cooperation in the region.

12. The WG noted the paper of the Secretariat on the financial implications of the publication of the statements and welcomed the offer of the Greek Delegation to assume the relevant costs.

13. The WG agreed that it would be useful to periodically update the booklet, initially every two years, on the basis of the contributions of all the BSEC Participating States. It further agreed that these contributions should follow, to the extent possible, a uniform pattern on the basis of guidelines to be prepared by the Secretariat in cooperation with the UN ECE.

PROPOSALS ON ENERGY COOPERATION PROJECTS WITHIN THE BSEC

14. Under this agenda item the WG took note of the initial list of proposals with regard to possible joint energy projects among the BSEC Participating States, compiled by the BSEC Secretariat. Some delegations presented additional lists of proposals.

15. The WG discussed the characteristics of energy cooperation projects to be considered within the BSEC and reiterated the need, already identified in the WG meeting held in Varna, to study the evolution of the energy market in the region, taking into consideration the demand for energy and resources and the pertinent energy infrastructure.

16. The WG suggested that such a study could be prepared by the Black Sea Regional Energy Centre.

17. The WG further discussed the need to develop procedures and criteria for the consideration of energy cooperation projects and agreed that projects to be considered should be of interest to as many Participating States as possible.

18. The discussion brought out the crucial, although not exclusive, importance of the interconnection of electrical networks.

19. To this end, an ad hoc Working Group of Experts on Electrical Networks is to be established which will prepare by 30 October 1995 a discussion paper on the interconnection of electrical networks suggesting appropriate criteria and priorities along with an indicative application of such criteria and priorities.

20. The Participating States are requested to forward to this ad hoc WGE through the Secretariat by 30 June 1995 proposals of appropriate electrical network interconnection projects of regional significance.

21. It was further agreed that the ad hoc WGE will be chaired by Romania. The WG welcomed Romania's offer to host its meeting.

22. The Participating States are requested to name their experts by 30 March 1995 and inform the Secretariat accordingly.

23. The discussion paper will be presented for consideration at the next meeting of the WG.

ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT

24. The delegations took note, with thanks, of a working paper on "Cooperation Potential in Energy Efficiency in the Black Sea Region" presented by the Greek Delegation.

25. The working paper explored cooperation possibilities in line with the “Energy Charter Protocol on Energy Efficiency and Related Environmental Aspects.” It covered cooperation in the formulation of energy efficiency strategies, development and implementation of programs and related activities and identification of possible horizontal and sectoral areas of cooperation.

26. The delegations commented on the issue, concentrating mainly on ideas for defining priority activities and areas.

27. The WG requested the Participating States to provide country reports on the legal, institutional and other issues regarding energy efficiency.

28. To ensure desirable uniformity, the reports should follow guidelines to be provided by 30 April 1995 by the Secretariat on the basis of suggestions which the Greek Delegation will forward by 30 March 1995.

29. The WG instructed the Secretariat to prepare, on the basis of these reports, a consolidated paper to be considered at the next WG meeting.

COLLABORATION OF THE BSEC PARTICIPATING STATES IN THE FRAMEWORK OF THE ENERGY CHARTER

30. The WG welcomed the signing of the European Energy Charter Treaty last December.

31. There was an initial exchange of views on the needs and opportunities for cooperation among the BSEC Participating States in taking advantage of the provisions of the Treaty and some concrete possibilities of action were suggested.

32. While keeping in mind the complexity of the process of bringing national legislation into conformity with the Treaty, the WG underlined the importance of its speedy ratification and application.

33. The WG noted that the process of preparation for ratification in the Participating States could be used for identifying possible areas of regional cooperation.

34. The delegations agreed that an exchange of views on this issue at WG meetings would be useful in focusing attention on particular problems and on the possibility for specific measures to promote cooperation among the BSEC Participating States in the application of the Treaty.

COOPERATION WITH THE BLACK SEA REGIONAL ENERGY CENTRE

35. The WG took note of the information presented by the representatives of the Centre and the European Commission on the establishment, structure and current prospects of the Black Sea Regional Energy Centre. The delegations expressed their thanks to the representatives.

36. The delegations, taking note of the Declaration of Intent signed by the Governments of the Black Sea region and the European Commission on 29 September 1994 in Brussels, agreed that the Centre and the BSEC WG on Energy should cooperate in their activities by way of regular consultations and should maintain open channels of communication on technical and other issues.

ANY OTHER BUSINESS

37. The WG took note of the information presented by the BSEC Council representative on the creation of an NGO, the Regional Working Group for Cooperation in the Field of Energy among the Black Sea Region and Central Asian Countries, under the auspices of the World Energy Council.

38. The WG welcomed the expression of readiness by the UN ECE to provide assistance through its regional advisers.

EXPRESSION OF THANKS

39. The participants expressed their thanks to the Government of the Hellenic Republic for hosting the Meeting and for the excellent arrangements as well as the warm hospitality extended to them.

DATE AND VENUE OF THE NEXT MEETING

40. The WG agreed that its next meeting should take place at the end of the current year (end of November - early December). The Participating States which may wish to host the next meeting will notify the Secretariat to that effect.

ADOPTION OF THE REPORT

41. The WG adopted the present report for submission to the Fifth Meeting of the Ministers of Foreign Affairs.