



ORGANIZATION OF THE BLACK SEA ECONOMIC COOPERATION

Permanent International Secretariat

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**MEETING OF THE
BSEC WORKING GROUP
ON INFORMATION AND COMMUNICATION TECHNOLOGIES**

Istanbul, 14-15 November 2011

REPORT

1. The Meeting of the BSEC Working Group on Information and Communication Technologies was held in Istanbul on 14-15 November 2011.
2. Upon the request by the Chairman-in-Office, Mr. Mikhayil VARDANIAN, Acting Permanent Representative of the Republic of Armenia to the Organization of BSEC, chaired the Meeting as a representative of the Country-Coordinator.
3. The following BSEC Member States attended the Meeting:

Republic of Albania
Republic of Armenia
Republic of Azerbaijan
Georgia
Hellenic Republic
Romania
Russian Federation
Republic of Turkey
Ukraine
4. The representative of the Parliamentary Assembly of the BSEC (PABSEC) participated in the Meeting in the capacity of a BSEC Related Body.
5. The List of Participants of the Meeting is attached as Annex I.

6. The draft agenda of the Meeting was discussed, amended and adopted. The Agenda, as adopted, 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 STATEMENTS ADOPTED BY THE MINISTERS IN CHARGE FOR INFORMATION AND COMMUNICATION TECHNOLOGIES

7. The Working Group positively noted information of the BSEC PERMIS that during the period since its last meeting a number of international events devoted to the development of the ICT sector were held in the region and multilateral projects in this sphere were being implemented.

DEVELOPMENT OF THE NATIONAL TELECOM SERVICES OF THE BSEC MEMBER STATES

8. The delegations informed about the development of the ICT sector in their countries. The common vision was that the ICT technologies significantly influence socio-economic developments of their countries and the growth of the ICT sector contributes to overall economic growth. The delegations underlined the importance of strengthening BSEC cooperation in the ICT field.

9. The Delegation of the Republic of Armenia informed that the Armenian IT industry is one of the most dynamic and promising sectors of the economy. During the last 10 years, the industry demonstrated a sharp increase in the number of newly formed companies, both local start-ups and branches of foreign companies. The Armenian IT industry exports nearly \$60 million of products and services to many countries worldwide. In telecommunication sector, three mobile phone operators in Armenia (ArmenTel/ Beeline, VivaCell /MTS, and Orange Armenia) have nationwide GSM infrastructures including 3G and LTE networks. Mobile GSM networks cover about 85 percent of the country's territory and 95 percent of the population. Starting from 2008 the Government of Armenia initiated a number of projects for development of the e-society in the country. (Information of the Republic of Armenia is attached as Annex III).

10. The Delegation of the Republic of Azerbaijan informed about the development of ICT sector in Azerbaijan. It was noted that the ICT sector became the priority sector in diversification of economy. The Government attaches the great importance to the ICT sector and provides the necessary funding to the ICT related projects. The role of domestic ICT companies and foreign multinational ones are growing in development of ICT sector.

11. The Delegation of Georgia made a review concerning the ICT field, its developments, in particular, in the field of e-government, e-services, legislation, technical aspects, as well as concerning the prospects of ICT in the country.

12. The representative of Georgia made a statement which is attached as Annex IV.

13. The representative of the Russian Federation made a statement which is attached as Annex V.

14. The delegation of the Republic of Turkey noted that in Turkey there are 65 million GSM subscribers; 24.8 Million 3G subscribers; 11 Million broadband subscribers; 16 Million fixed telephony subscribers and almost 40 million internet users. The ICT market volume reached 35 billion US Dollars.

15. The delegation of Ukraine informed that Ukraine implements the National Program on Informatics, which, in particular, includes development of e-governance and a single-window in state and administrative issues. The State Agency on Science, Innovations and Informatics of Ukraine is responsible for the state policy in the field of informatics, usage and security of e-resources. There are more than 3000 enterprises in the informatics field in Ukraine. The IT sector encompasses nearly 215 thousand employees. In 2010 the volume of the Ukraine's program production constituted nearly 1 billion and it showed the increase of 30-40% annually despite the world crisis.

16. The delegation of the Hellenic Republic made a presentation of the main issues of telecommunications market in Greece, as well as of the main projects that are under the responsibility of the Ministry of Infrastructure, Transport and Networks. The presentation is attached as Annex VI.

17. Following the discussion the WG decided to continue the exchange of information on the ICT developments in the BSEC Member at its next meetings.

BRIDGING DIGITAL DIVIDE: PRESENTATION OF THE ICT PROJECTS HAVING REGIONAL IMPACT

18. The delegation of the Republic of Armenia informed that the Government of the Republic of Armenia paid much attention to the overcoming the digital divide. The number of operating IT companies reached around 300 in 2011 representing nearly 15% growth from 1998 to 2010. On average, nearly 20 IT businesses were launched annually in 2000-2010.

19. Furthermore, the Delegation of Armenia made a presentation of a Project "Technology Transfer Network for BSEC Region" funded by the BSEC Project Development Fund. The Project is aimed at creation of a comprehensive network of BSEC regional incubators/technoparks and technology companies and fostering intensive inter- and intra-network cooperation and resource-sharing. Collaboration among national business incubators will allow utilizing the achievements, including in the ICT field, of each into a centralized knowledge hub. The project will provide a platform for pilot testing, analysis and adjustments, which then will be extended to add new participants from other BSEC states with the objective to develop into a large and intensive regional network. The ultimate goal of the project is to include incubators of all BSEC Member States to form a comprehensive regional network of incubators and SMEs. (The presentation is attached as Annex VII).

20. The delegation of the Republic of Azerbaijan made a presentation about “The Trans Eurasian Information Super Highway (TASIM)” stressing that this project can play an integral role in supporting the closure of “digital divide”, ensuring universal access to e-services and establishment of knowledge-based economy. It was emphasized that the resolution entitled “Building Connectivity through the Trans-Eurasian Information Super Highway”, initiated by Azerbaijan, was adopted at the sixty-fourth session of the United Nations General Assembly on December 21st, 2009. As a main coordinator of the project, Azerbaijan has conducted feasibility study and is financing the Secretariat of the project. A number of steps have been taken towards the establishment of consortium comprising of major big telecom operators in the region. (The presentation is attached as Annex VIII).

21. The delegation of the Republic of Turkey informed about the implementation of the Mediterranean Black Sea Optical Fiber Submarine Project. It was noted that the project is under way and this cable is planned to connect to the neighboring countries.

22. The delegation of Georgia stressed out its support of TASIM Project and Technology Transfer Network for BSEC Region Project and other important BSEC regional initiatives. Georgia will be actively involved in the implementation of those projects.

23. The delegation of the Republic of Turkey expressed its support for TASIM Project.

24. Furthermore, it was noted the issue of overcoming the digital divide is of significant meaning for Turkey. In this regard, the Universal Services Fund in Turkey has become an important tool in supporting the educational activities. The BT classrooms were established in 21000 public schools; Broadband Internet connections to nearly 11.000 schools were provided. More than 2000 Public Internet Access Centers were established. Nearly 40.000 public schools Internet connection fees have been covered by the Fund. Nearly 200 villages have been already facilitated with telephony and Internet infrastructure. The basic telephony and Internet services for the remote areas will be provided under the Universal Service applications. The Universal Services provide navigation tools for the blind people. In parallel with EU applications, Turkey took a decision to convert its broadcasting system from analogue to digital one in order to achieve the efficient utilization of frequency spectrum adapted to the EU specifications. In addition, the shared TV towers will be used for the digital TV transmission.

25. The delegation of Ukraine noted that the issue of the digital divide is on the agenda of the Government of Ukraine. Nowadays, Ukraine occupies the 28th place in the world by a number of the Internet users. The prices for Internet are moderate for the most of the population. Ukraine will continue developing the broad band access to Internet with FTTB, PON, HFC technologies as well as with the wireless technologies UMTS, WCDMA and WiMAX.

26. Much discussion was devoted to the outcome of the ICT Program for the BSEC Member States organized by the Government by the Republic of Korea in Seoul on 26-30 September 2011. The participants of the Program noted with pleasure that they had a great possibility to acquaint with the Korea’s e-government policy, its history and tendencies; conceptual shift from e-government to u-government; introduction of ICT in rural area; Green ICT technologies; integrated emergency assessment management system; ICT Public Private Partnerships etc. The participants of the Program had opportunities to make on-site visits and

have trainings in the Information Network Village and the National Computing and Information Agency.

27. The WG took note of the information by the PERMIS that the US University of Pennsylvania was interested to develop the ICT program in the BSEC Region. In particular, the University has started to solidify dates for the trainings in the region. The trainings will focus on the ICT policy needs and impediments for Georgia, Armenia and Azerbaijan, as well as for Ukraine, Moldova, and Belarus. The trainings will address such issues as emerging market technology developments in ICT with a focus on broadband internet and mobile applications; explore the importance of Small and Medium Enterprise (SMEs) in the ICT sector, particularly as a vehicle for social and economic development; and more.

28. The WG also took note of the information provided by the PERMIS that partners from Armenia, Georgia, Moldova and Romania submitted the PDF Project Application “Experimental Deployment of an Integrated Grid and Cloud Enabled Environment in the BSEC Countries on the Base of g-Eclipse” to the Working Group on Cooperation in Science and Technology. The main purpose of the Project is to deploy a regional integrated Grid and Cloud enabled environment based on Eclipse for the South East Europe including Romania, Armenia, Georgia and Moldova. The applicants consider that the users will access the resources with g-Eclipse in an easy and uniform way, instead of having to use application specific portals or specific Grid consoles. In addition, the proposed infrastructure will be used for further regional (environment, meteorology, seismology, astrophysics) projects.

29. Following the discussion the WG decided to keep a track on the implementation of the following ICT projects in the BSEC Region:

- “Technology Transfer Network for BSEC Region”
- “Trans Eurasian Information Super Highway”
- “Mediterranean-Black Sea Interconnection”

30. The WG expressed its high appreciation to the Government of the Republic of Korea for organizing the comprehensive ICT Program for the BSEC Member States in Seoul on 26-30 September 2011. Furthermore, the WG decided to exchange views among the BSEC Member States on further cooperation with the Republic of Korea in the ICT field. In this regard, the Member States were invited to communicate their proposals via the BSEC PERMIS regarding the possible ICT fields or cooperation projects with the Republic of Korea.

CONSIDERATION OF THE ACTION PLAN, PRESENTED BY THE INCOMING COUNTRY-COORDINATOR, AND WORKING PROGRAM FOR 2011-2013

31. The Working Group discussed, amended and agreed its Action Plan for 2011-2013, prepared by the Country-Coordinator. The WG also agreed that the Action Plan is open for other comments and proposals, if any, for their further consideration. Based on the provisions of the Action Plan, the Working Group invited the Member States to contribute to the Work Program by informing via PERMIS about the international ICT events in their countries and

extending the relevant invitations to the BSEC Member States to participate in them. The said Plan is attached as Annex IX. The Working Program will be open for additional proposals during the mentioned period.

ACTIVITIES OF THE BSEC PROJECT DEVELOPMENT FUND

32. The Working Group took note of the presentation provided by PERMIS regarding the Project Development Fund.

33. The Working Group suggested that the issues of e-governance, e-education, e-learning and capacity building in the ICT sector should be considered among the priorities for the projects to be realized within the BSEC Project Development Fund.

ANY OTHER BUSINESS

34. The delegation of the Republic of Armenia informed about the intention of the Armenian Side to organize the next meeting of the BSEC ICT Working Group back-to-back with the ICT Conference in Yerevan in the second half of 2012.

ADOPTION OF THE REPORT OF THE MEETING

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