

Istanbul, 2 July 2008

BS/WG/MWS/R(2008)3

**REPORT OF THE MEETING OF THE
AD HOC WORKING GROUP ON THE
DEVELOPMENT OF THE MOTORWAYS OF THE SEA**

Istanbul, BSEC Headquarters, 1-2 July 2008

1. The Meeting of the Ad Hoc Working Group on the Development of the Motorways of the Sea (MoS) was held in Istanbul, at the BSEC Headquarters, on 1-2 July 2008.

2. The Meeting was chaired by Mr. Yevgen KOZIY, Executive Manager of the Permanent International Secretariat of the Organization of the Black Sea Economic Cooperation (BSEC PERMIS).

3. The Meeting was attended by the representatives of the following BSEC Member States – Parties to the MoU:

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

4. The representatives of the Black Sea Trade and Development Bank (BSTDB) and the International Center for Black Sea Studies (ICBSS) also participated in the Meeting.

The list of participants is attached as Annex I.

5. The draft agenda of the Meeting was discussed, amended and adopted. The agenda, as adopted, is attached as Annex II.

STATE OF AFFAIRS WITH REGARD TO THE MEMORANDUM OF UNDERSTANDING ON THE DEVELOPMENT OF THE MOTORWAYS OF THE SEA AT THE BSEC REGION (MOU) AND INFORMATION OF THE PARTIES ABOUT NOMINATION OF THEIR REPRESENTATIVES TO THE AD HOC WORKING GROUP ON THE DEVELOPMENT OF THE MOTORWAYS OF THE SEA IN ACCORDANCE WITH ARTICLE 3 OF THE MOU.

6. The Ad Hoc Working Group took note of the fact that the Republic of Albania, Republic of Bulgaria, Georgia, Romania, Russian Federation, Republic of Serbia and Ukraine have completed their internal procedures and one more ratification/approval of the MoU is still pending in order for the MoU to enter into force. In this regard, the Ad Hoc Working Group considered its meeting to be of an informal character.

7. The delegations took note that the Republic of Armenia, Republic of Bulgaria, Georgia, Hellenic Republic, Republic of Moldova, Romania, Russian Federation, and Republic of Turkey nominated their representatives to the Ad Hoc Working Group. The Parties to the MoU, which have not yet done so, were invited to nominate their representatives.

CONSIDERATION OF THE DRAFT DOCUMENTS RELATED TO THE FUTURE OPERATION OF THE AD HOC WG MOS

8. The delegations considered the draft Rules of Procedure of the Ad Hoc Working Group on Development of the Motorways of the Sea, prepared by BSEC PERMIS on the request of the previous meeting. The text as discussed is attached as Annex III. The delegations decided to continue consideration of the draft documents at their next meeting.

9. It was decided to develop further the definition of the Motorways of the Sea, also taking into consideration the integration and development of dry ports situated in landlocked countries of the BSEC Region, as suggested by the delegation of Armenia.

CONSIDERATION OF THE BASIC ISSUES RELATED TO THE FUTURE OPERATION OF THE AD HOC WG MOS

a. Chairmanship and Coordination in the Ad Hoc WG MoS

10. The delegations welcomed readiness of the Russian Federation to chair in the Ad Hoc WG on a temporary basis before the MoU will enter into force. At the same time, the delegations decided to use the same model for the presidency at the Ad Hoc Working Group as the one which is used for the BSRH Steering Committee.

11. The Hellenic Republic stressed the need for a coordinator of the Ad Hoc Working Group in order to facilitate the coordinated implementation of the projects. The institution of a coordinator is necessary for the efficient and effective development of the MoS projects and the materialization of the Master Plan. The coordinator should have a 4-year term in office in order to assure the continuity of the activities of the Working Group at an operational level. The Coordinator will assist the Presidency on a technical basis, whilst the

2-year term Presidency will represent the Group in the promotion of all the necessary tasks for the development of the MoS. The Hellenic Republic stressed the necessity for having the same Presidency for the same period in order to have a coordinated implementation of both MoUs.

b. Establishment of a MoS Joint Permanent Technical Secretariat and its location

12. The Ad Hoc WG discussed on the necessity of the establishment of a MoS Joint Permanent Technical Secretariat and decided to postpone the decision on this issue to a later stage.

13. The Ad Hoc WG agreed with the proposal of the Republic of Turkey for the latter to provide temporarily secretarial services for the Ad Hoc WG before the MoU will enter into force.

c. Elaboration of a Master Plan

14. The Delegation of the Hellenic Republic made presentations of a Plan-Concept of a Master Plan on the Development of the Motorways of the Sea at the BSEC Region (attached as Annex IV) and about the “Elaboration of the East Mediterranean Motorways of the Sea Master Plan”, emphasizing that the application at the BSEC Region of the experience on the establishment of the East Mediterranean Motorways of the Sea would substantially assist in the implementation of the MoU. The delegation of Romania supported this approach.

15. The Hellenic Republic announced that on 17-19 September 2008 a Conference organized jointly with the United Nations Economic Commission for Europe (UNECE) will take place in Piraeus. The conference is titled “The Role of Seaports as a Link between Inland and Maritime Transport”.

16. The Hellenic Republic announced that the Conference is open to all BSEC Countries and that a written invitation will follow.

17. Referring to the Article 2 of the MoU, the delegation of the Russian Federation expressed its view that the Ad Hoc WG should concentrate its work on the elaboration and implementation of concrete projects in the maritime field.

18. Given its position, the delegation of Russia, in addition to several project ideas disseminated by the PERMIS Note No BSEC.INFO.2008.0618, dated 25 June 2008, made presentations on the development of the cruise navigation in the Black Sea (attached as Annex V) and education- practices seminars in the Ushakov State Maritime Academy (attached as Annex VI).

19. The participants took note of the presentations and agreed to send their considerations on the future cooperation in the sphere of sharing experience/best practices to the PERMIS by 1 September 2008.

20. The Ad Hoc WG suggested that the approaches of the Hellenic Republic and the Russian Federation are mutually complementary and proposed to continue their consideration at the next meeting.

21. The delegation of Romania made a presentation about “Port Constantza” (Attached as Annex VII) and disseminated relevant materials on the topic. Furthermore it extended its invitation to the Parties of the MoU to take part in the events to be organized by Port Constantza.

22. The delegation of the Hellenic Republic made a presentation of questionnaires, which were elaborated by UNECE, UNESCAP, IMO and SEMED MoS for collecting information on transport infrastructure for the realization of relevant projects. It was underlined that every questionnaire was elaborated depending on the goals of projects and in this regard it was noted that the Ad Hoc WG should decide on what data should be collected for BS MoS and what kind of questionnaire is needed. The Parties will consider the issue after the decision on the Master Plan will be taken.

23. The Parties will send to the Turkish side via PERMIS their suggestions, comments and ideas with regard to proposals made by the Hellenic Republic and the Russian Federation on a draft Master Plan as well as their own vision of a future Master Plan for the Black Sea Region.

24. The Parties took note of the information provided by Bulgaria and Romania on their national ports to be included into the Master Plan. They agreed to further use questionnaire of UNECE for collecting data on BS MoS taking into account that the additional data will be requested if needed.

d. Establishment of a “Motorways of the Black Sea Support Fund”

25. The Ad Hoc WG took note of the BSTDB suggestion that the establishment of the Motorways of the Black Sea Support Fund as a possible supporting structure to help attract and pool external (e.g. from non-BSEC parties) resources is premature at present, but could be re-considered at any appropriate time. In the absence of external donors, establishment of such a Fund (i) entails administrative and reporting costs and (ii) contains reputational risks if funds are provided but not utilized in timely fashion.

e. Establishment of a “Black Sea Partnership on Transport”

26. The delegation continued the consideration of the topic. Special emphasis was made on the preparations of the forthcoming Meeting of the Ad Hoc Group of Experts on BSEC-EU Interaction. With respect to the proposed Motorways of the Black Sea Partnership, BSTDB clarified that the proposal has been revised, placing the Ad Hoc Working Group in the role of a Steering Committee type organization, in order to preclude the need to revise MoU, which would be time consuming and wasteful.

27. The Ad Hoc WG took note of the explanation of BSTDB that the principal objective of the MBSP concept is to establish a format to engage the European Union and other external parties (donors, IFIs, etc.) in BSEC’s MoS initiative and in view of BSTDB, such engagement is imperative since the MoS concept was originally elaborated by EC.

28. In this context, the Ad Hoc Working Group took note of the proposal of BSTDB to take advantage of its frequent contacts with other international financial institutions and the European Commission to present the MoS in the Black Sea initiative of BSEC and to

generate interest, without in any way committing BSEC or the Ad Hoc Working Group politically, administratively or financially. Rather, any generation of interest would be reported to the Ad Hoc Working Group for further decision and action.

29. The delegation of Romania suggested that the Parties should take into consideration the EU policies in the Black Sea Region and the relevant Report of the European Commission on the implementation of the Black Sea Synergy of 19 June 2008.

ANY OTHER BUSINESS

30. No issue was raised under this agenda item.

DATE AND VENUE OF THE NEXT MEETING

31. The exact date and venue of the next meeting of the Ad Hoc Working Group will be communicated by the BSEC PERMIS after consultations with the Chairman-in-Office.

ADOPTION OF THE REPORT OF THE MEETING

32. The Ad Hoc Working Group adopted the present Report.
