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**REPORT
OF THE MEETING OF THE
BSEC WORKING GROUP ON TRANSPORT**

Sochi, 25-26 September 2006

1. The Meeting of the BSEC Working Group (WG) on Transport was held in Sochi, the Russian Federation, on 25-26 September 2006.
2. The Meeting was attended by the representatives of the following BSEC Member States:

Republic of Armenia
Republic of Azerbaijan
Republic of Bulgaria
Hellenic Republic
Romania
Russian Federation
Republic of Turkey
Ukraine
3. The representatives of the Parliamentary Assembly of the Black Sea Economic Cooperation (PABSEC) and the BSEC Business Council (BC) also participated in the Meeting.
4. The Meeting was attended by the representatives of the United Nations Economic Commission for Europe (UNECE), the International Road Federation (IRF) and the International Road Transport Union (IRU) as Guests.
5. The representatives of the Black and Azov Seas Ports Association (BASPA), the Black Sea International Shipowners Association (BINSA) and the Union of Road Transport Associations in the BSEC Region (BSEC-URTA) participated in the Meeting as Organizations having sectoral dialogue partnership with BSEC.
6. The Meeting was chaired by Mr. Alexander ANDREEV, Director, International Cooperation Department, Ministry of Transport of the Russian Federation.
7. The draft agenda of the Meeting was discussed and adopted. The agenda, as adopted, is attached as Annex I.

ELABORATION OF DRAFT JOINT DECLARATION ON COOPERATION IN THE SPHERE OF TRANSPORT IN THE BSEC REGION

8. The Draft Joint Declaration on Cooperation in the Sphere of Transport in the BSEC Region was reviewed and submitted to the Meeting of the Ministers of Transport of the BSEC Member States for adoption. The Draft Joint Declaration, as finalized by the Working Group, is attached as Annex II.

IMPLEMENTATION OF DECISIONS OF 2005 THESSALONIKI AND 2006 BUCHAREST MINISTERIAL MEETINGS

9. The Working Group recalled the provision of the Bucharest Statement “BSEC Towards the 15th Anniversary” (Bucharest, 26 April 2006) by which the Council of Ministers of Foreign Affairs agreed to monitor the implementation of resolutions, decisions and recommendations adopted by the Council by focusing the Meetings of the Working Groups, prior to the Sectoral Ministerial Meetings, on the implementation of the decisions of the previous Meetings.

10. In line with the above, the delegations exchanged views on the actions undertaken for implementation of the Declarations adopted by the Ministers of Transport at their Meetings in Thessaloniki (January 2005) and in Bucharest (March 2006) and formulated appropriate recommendations, while Romania in its capacity of Country-Coordinator of the Working Group presented the general assessment of the status of implementation of the aforementioned documents.

11. It was underlined that for the implementation of provisions of the above mentioned documents in full, the activities of the Working Group should be focused at the following:

- finalization of the BSEC Ring Corridor Map as a starting point towards identifications of projects of regional interest;
- strengthening the legal basis for cooperation in the field of transport, particularly through finalization of MoUs currently being under consideration;
- commencement of implementation of the MoU on Facilitation of Road Transport of Goods in the BSEC Region recently entered into force;
- development of the complete data base of information on the status of infrastructure in the BSEC Member States and useful information for transport operators;
- further cooperation with international organizations and institutions for implementation in the regional framework of recommendations by the High Level Group for the extension of the major Trans - European axes to the neighbouring countries and regions, UNECE and UNESCAP.

12. In this connection, the Working Group highlighted the guiding role of the Action Plan in the field of transport for the period 2005-2007, adopted at the Meeting of November 2005.

13. UNECE informed the Group of the results of the TEM and TER Masterplan and its follow-up actions as well as of the progress of the UNECE-UNESCAP joint project on developing Euro-Asian transport links. The Group considering these projects directly linked to the development of transport infrastructure and facilitation in the BSEC region, agreed to continue and further strengthen its cooperation with the UNECE in the framework of this project.

PRESENTATION OF THE OUTCOME OF THE EVENTS RELATED TO TRANSPORT COOPERATION HELD IN THE FRAMEWORK OF THE RUSSIAN BSEC CHAIRMANSHIP

14. The participants were informed by the delegation of the Russian Federation of the outcome of the following BSEC events:

- a) The Conference for Cargo Owners of the BSEC Region (Moscow, 18 July 2006) was focused at the issues related to the extension of cargo flows in the region, the development of intellectual transport system and contemporary technologies in cargo flows management.
- b) At the BSEC International Seminar “Implementation of the Memorandum of Understanding on Facilitation of Road Transport of Goods in the BSEC Region” (Moscow, 19-20 July 2006) a number of pressing issues, pertaining to the development of road transport, were discussed, mainly the introduction of better practices of border-crossing facilitation such as electronic customs declarations, unification of visa requirements, reduction of existing fees and duties. Also the draft Timetable for implementation of the MoU on Facilitation of Road Transport of Goods in the BSEC Region was presented and discussed by the participants and the draft MoU on the Coordinated Development of the Black Sea Ring Highway was presented by the Ministry of Transport of the Russian Federation.
- c) The BSEC Round Table “Recommencement of Passenger Transportation in the Black Sea” (Moscow, 19 July 2006) stressed the restoration of passenger lines in the Black Sea is crucial for the development of coastal territories of the BSEC Member States and recommended that special attention should be paid to the facilitation of border-crossing procedures, customs and immigration formalities, improvement of the tariff policy, the reduction of duties for cruise shipping etc.
- d) The Round Table Meeting “Use of Public-Private Partnership Tools in Projects Implementation of Internationally Important Large Transport Infrastructure Units in the BSEC Region” (Rostov-on-Don, 30 August 2006) concentrated the discussion at the international experience of infrastructure project implementation with the use of PPP mechanism in the BSEC area and economic models of co-financing, participation in the capital funds and state guaranties.
- e) The Seminar of Experts “Establishment of Integrated International Transport and Logistic System in the BSEC Area” (Rostov-on-Don, 30 August 2006) was focused at the assessment of conditions and potential of transport flows distribution on the basis of advanced technologies and perspective plans on the establishment of logistics centers of international significance on the basis of leading transport nodes of the Black Sea basin.

15. The participants were also informed by the representative of BASPA of the outcome of the Fifth International Conference “The Black Sea Area Transport Network Formation. East-West Network Integration”, held on 7-8 June 2006 in Odessa, Ukraine.

LEGAL BASIS FOR COOPERATION IN THE FIELD OF TRASPORT:

a) MoU on Facilitation of Road Transport of Goods

16. The Working Group welcomed the entering into force on 20 July 2006 of the MoU on Facilitation of Road Transport of Goods in the BSEC Region and highlighted the necessity to commence its implementation at soonest in accordance with the relevant provision of the Bucharest

Ministerial Declaration of 2006. It was informed that the Russian Federation would finalize the accession procedures with respect to the MoU by the end of 2006.

17. With this regard, the Working Group agreed upon the discussion in detail of the issues related to road transport development at its next Meeting. The draft Timetable for the implementation of the MoU was presented by the delegation of BSEC-URTA and, having preliminary exchange of views on it, the participants agreed to finalize it at the afore mentioned meeting. The draft Timetable as presented at the Meeting is attached as Annex III.

18. Furthermore, the Member States were invited to nominate by 1 November 2006 their representatives in the Steering Committee to be set up in accordance with Article 8 of the MoU and expressed the view that the afore mentioned representatives would attend the said meeting.

b) MoU on the Development of Motorways of the Sea

19. The Working Group considered the draft Memorandum of Understanding on the Development of Motorways of the Sea, elaborated by the Ministry of Mercantile Marine of Greece and the Hellenic Institute of Transport in compliance with the decision of the Working Group taken at the Meeting in Thessaloniki, as well as the amendments to it by the BSEC Member States. The Working Group agreed on the final draft of the said Memorandum, which is attached as Annex IV to the present Report. Furthermore, the Working Group recommended to the Committee of Senior Officials to endorse the said MoU and adopt a draft Resolution by the BSEC Council, inviting the BSEC Member States to sign the Memorandum of Understanding on the Development of Motorways of the Sea at the Fifteenth Meeting of the BSEC Council to be held in Moscow, on 1 November 2006.

c) MoU for the coordinated development of the Black Sea Ring Highway

20. The Working Group considered the draft Memorandum for the coordinated development of the Black Sea Ring Highway, as well as the amendments to it by the BSEC Member States. The Working Group agreed on the draft of the said Memorandum, as attached as Annex V to the present Report. Furthermore, the Working Group recommended to the Committee of Senior Officials to finalize the said Memorandum and adopt a draft Resolution by the BSEC Council, inviting the BSEC Member States to sign the Memorandum of Understanding for the coordinated development of the Black Sea Ring Highway at the Fifteenth Meeting of the BSEC Council, to be held in Moscow, on 1 November 2006.

21. The delegation of Armenia stated that the main ideology of the Black Sea Ring Highway concept is to secure the links of all BSEC Member States to the Ring Highway and with this in mind made the proposal to include the road link - Trabzon (Turkey) - Kars (Turkey) - Giyumri (Armenia) - Yerevan (Armenia) in article 2, para.4 of the MoU.

22. The Turkish delegation expressed the view that the proposal of Armenia for the inclusion of the border road links between Armenia and Turkey into the MoU pertains to a matter of bilateral character, and therefore it would be inappropriate to consider this issue within the context of this MoU.

23. The following amendment to article 2, para.4 of the Memorandum was proposed to be considered by the Committee of Senior Officials;
- Baku (Azerbaijan) - Nahichevan (Azerbaijan) - Turkish border

24. The delegation of the Hellenic Republic offered to host in Thessaloniki the Joint Permanent Technical Secretariat of the BSRH, to be undertaken by Egnatia Odos S.A., and to fund its administrative costs. Information on the profile of the said company was distributed during the Meeting.

25. The Hellenic Republic also proposed that the Black Sea Ring Highway, in view of the international promotion of the project, be named commonly as the “Road of the Argonauts” since the Argonauts legend is a part of the tradition of the Black Sea region.

26. The Romanian delegation stated that Romania has undertaken the relevant internal legal procedures for obtaining the mandate for negotiation. By the current Meeting, this procedure has not been completed and the Romanian delegation expressed the opinion of the Romanian Ministry of Transport, Constructions and Tourism about the Draft MoU.

d) MoU between BSEC and IRU

27. The Working Group took note of the Resolution of the BSEC Council (Bucharest, 26 April 2006, para. 27) mandating the Secretary General to sign on behalf of the Organization the Draft Memorandum of Understanding between BSEC and the International Road Transport Union and confirmed that the said MoU is ready to be signed at the Meeting of Ministers of Transport (Sochi, the Russian Federation, 27 September 2006).

e) MoU between BSEC and IRF

28. The Working Group considered the draft MoU between BSEC and IRF, preliminary agreed by the Secretariats of the two Organizations, as well as the amendments to it by the BSEC Member States. The Working Group agreed on the final draft of the MoU between BSEC and IRF, which is attached as Annex VI to the present Report. Furthermore, the Working Group recommended to the Committee of Senior Officials to endorse the said MoU and adopt a draft Resolution by the BSEC Council, mandating the Secretary General of BSEC PERMIS to sign the document on behalf of BSEC.

PRESENTATION OF PROJECT PROPOSALS

29. Being informed by the delegation of the Russian Federation of the current status of the project proposal “Economic Expediency of Opening New International Passenger Line (Ferry) between Ports of Istanbul – Odessa – Yalta – Novorossiysk – Sochi or other”, the Working Group agreed to consider the application to be properly prepared and submitted to PERMIS, at its next Meeting.

DATE AND VENUE OF THE NEXT MEETING

30. The participants agreed that the Agenda of the next Working Group Meeting would be concentrated on the issues related to road transport development and welcomed the proposal of BSEC-URTA to convene the Meeting on 23-24 November 2006 in Antalya and its kind offer to grant support for making necessary arrangements.

ADOPTION OF THE REPORT OF THE MEETING

31. The Working Group adopted the present report for submission to the next Meeting of the Committee of Senior Officials and the Fifteenth Meeting of the Council of Ministers of Foreign Affairs to be held in Moscow, on 1 November 2006.
