



## ORGANIZATION OF THE BLACK SEA ECONOMIC COOPERATION

Permanent International Secretariat

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### REPORT OF THE MEETING OF THE BSEC WORKING GROUP ON INFORMATION AND COMMUNICATION TECHNOLOGIES

Yerevan, 4 October 2012

1. The Meeting of the BSEC Working Group on Information and Communication Technologies was held in Yerevan on 4 October 2012.
2. Mr. Atrem AZNAURIAN, Counselor, Department of Economic Cooperation, Ministry of Foreign Affairs of the Republic of Armenia, chaired the Meeting as a representative of the Country-Coordinator.
3. The following BSEC Member States attended the Meeting:  
  
Republic of Armenia  
Republic of Bulgaria  
Georgia  
Hellenic Republic  
Romania  
Russian Federation  
Ukraine
4. The representative of the Federal Republic of Germany participated in the Meeting in the capacity of a BSEC Observer.
5. The List of Participants of the Meeting is attached as **Annex I**.

6. The participants were welcomed by Mr. Nerses MKRTCHYAN, Head of Department of Economic Cooperation, Ministry of Foreign Affairs of the Republic of Armenia, and Dr. Bagrat YENGIBARYAN, Director, Enterprise Incubator Foundation.

7. The draft agenda of the Meeting was discussed 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**

8. The Working Group positively noted that since its last meeting a number of international events devoted to the development of the ICT sector were held in the BSEC Region. Multilateral projects in this sphere are being implemented contributing to the overall economic growth and bridging digital divide. In particular,

— Implementation of a number of projects, which were presented at the last meeting of the Working Group (Istanbul, 14-15 November 2011) is going on. In particular, these projects are:

- “Technology Transfer Network for BSEC Region” (coordinated by Armenia);
- “Trans Eurasian Information Super Highway” (coordinated by Azerbaijan);
- “Mediterranean-Black Sea Interconnection” (coordinated by Turkey).

— The PDF Steering Committee approved for financing a new project “Experimental Deployment of an Integrated Grid and Cloud Enabled Environment in the BSEC Countries on the Base of g-Eclipse” presented by partners from Armenia, Georgia, Moldova and Romania in the WG on Cooperation in Science and Technology.

— The ICT cooperation with the BSEC Observers and Sectoral Dialogue Partners has received an encouraging development:

- Following the Program for the BSEC Member States in Seoul on 26-30 September 2011, the Government by the Republic of Korea organized thematic workshops on e-government in Armenia, Azerbaijan and Romania.
- The Government of France initiated organization of a Seminar on new audiovisual broadcasting technologies and new economic models arising from them to be held on 5 November 2012 in Istanbul. The BSEC PERMIS extended invitation to the Black Sea Broadcasting Regulatory Authorities Forum (BRAAF) to take part in the Seminar at the BRAAF meeting on 24-25 May 2012 in Tirana

— Positive implementation of the Action Plan of the WG on ICT for 2011-2013, as it was presented by the Country-Coordinator.

9. Furthermore, the WG:

— invited the countries which coordinate the projects mentioned above to inform regularly via BSEC PERMIS about progress achieved in their implementation;

- expressed its high appreciation to the Government of the Republic of Korea for its great practical contribution to the development of the ICT sector in the BSEC region;
- invited the Member States which had workshops organized by the Government of Korea to share information on their outcome via BSEC PERMIS;
- welcomed the proposal of the Government of France to organize the Seminar and it also invited the relative authorities of the BSEC Member States to take part in the Seminar.

### **IMPLEMENTATION OF THE PROVISIONS OF THE “BSEC ECONOMIC AGENDA: TOWARDS AN ENHANCED BSEC PARTNERSHIP”**

10. The WG discussed the provisions of the “BSEC Economic Agenda: Towards an Enhanced BSEC Partnership” related to “Sustainable information society with advanced information and Communication Technology Infrastructure” (Goal 12) and decided to incorporate them to its present and future action plans.

### **IMPLEMENTATION OF THE BSEC PUBLIC COMMUNICATION STRATEGY**

11. The WG discussed the BSEC Public Communication Strategy. It was noted that promotion of the BSEC activities and projects to the broad public will greatly contribute to the BSEC visibility and involvement of organizations and companies to its work. In this regard, the Working Group welcomed presentation by the Country-Coordinator of the website “The BSEC Working Group on ICT” located at the web address <http://www.bsec-itwg.com/> The presentation is attached as **Annex III**.

12. The WG expressed its appreciation to the Country-Coordinator for the work done. Furthermore, the WG invited the Member States to contribute information to the Country-Coordinator for better presentation of the Region in the ICT field. The WG also requested the BSEC PERMIS to link the BSEC web site with the BSEC ICT WG site.

### **REVIEW OF THE RECENT DEVELOPMENTS IN THE ICT IN THE BSEC MEMBER STATES**

13. The Delegation of Armenia made a presentation “Armenian IT Sector: Identifying the Best Opportunities”. In particular, it was noted that 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.

14. The number of operating IT companies in 2011 reached around 300 representing nearly 15% growth from 1998 to 2012. In average nearly 20 IT businesses were launched annually in 2000-2012. More than 80% of the foreign companies were established in 2000-2012 with participation of USA/Canada capital (50%), Russia/CIS capital (21%), Europe capital (25%). Total revenue of the sector is more than \$200 mln. The major specialization of Armenian IT companies are customized software and outsourcing (22% of firms), web design and development (18%), IT services and consulting (11%), Internet services (11%). Armenian IT industry exports nearly \$60 million of products and services to many countries worldwide.

15. In telecommunication sector, there are three mobile phone operators in Armenia: ArmenTel/Beeline, VivaCell /MTS, and Orange Armenia. Mobile GSM networks cover about 85 percent of the country's territory and 95 percent of the population.

16. Starting from 2008 the Government of Armenia initiated a number of projects for development of the e-society in the country, such as the Nationwide Broadband Backbone and Government Network Project, Computer for All Project (including Computer for Teachers and School Computer), E-Government, E-Education, E-Health, e-ID, and other e-Services. The presentation is attached as Annex IV.

17. The delegation of the Hellenic Republic made a presentation of the main issues of the development of the telecommunications in Greece, as well as the progress of the ICT sector during the last year. Despite a period of adverse economic climate and the decline of revenues and investments, the telecommunications sector remains one of the most dynamic in Greece and generated €6.556 billion and invested €1.070 billion.

18. In the presentation special attention was given at the increased broadband performance and the development of the broadband access and services, the fixed and mobile penetration, the broadcasting, as well as in infrastructure projects that are under implementation. Also services, with social value for the citizens, were mentioned and special relative projects are occurred in order to improve the quality of these services. The presentation is attached as Annex V.

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

### **a) Presentation of the BSEC incubators association concept**

19. The Enterprise Incubator Foundation made a presentation proposing establishment of the BSEC incubators association and containing a concept of the project. In particular, the project's comprehensive objective is to leverage on the cooperation opportunities among BSEC Member States in the area of science, technology and innovation. The presentation is attached as Annex VI.

20. The activity of the BSEC Incubation Association will be aimed at strengthening the sustainability and assistance to business incubators of the Black Sea region by raising awareness about innovation and entrepreneurship development among governments, technological centers, incubators, universities and other key stakeholders, by strengthening the capabilities of incubator managers as well as of their clients through focused training and learning, and by addressing new opportunities provided by the globalization in initiating collaborative service and knowledge creation.

21. The specific objective of the Project is to consolidate the BSEC Member States' efforts towards promotion of IT companies in international markets, namely the US market, establishment of business partnerships/joint ventures, and investment attraction.

22. The WG welcomed the initiative as the one which fully corresponds to the goals of

“The BSEC Economic Agenda: Towards an Enhanced BSEC Partnership” and decided to render its support in its promotion. The Member States were invited to contribute to the development of the concept and to the eventual creation of the Association. For further elaboration of the concept the Technology Transfer Network [www.bsec-tech.com](http://www.bsec-tech.com) as well as the BSEC ICT WG portal [www.bsec-itwg.com](http://www.bsec-itwg.com) will be used as the main communication points.

#### **b) BSEC Technology Transfer Project and other projects**

23. The Enterprise Incubator Foundation made a presentation about progress achieved in elaboration a project a “Technology Transfer Network for BSEC” with PDF financing and in partnership with Timisoara Software Business Incubator (Timisoara, Romania) and INERGO IT S.A. (Thessaloniki, Greece). The presentation is attached as **Annex VII**.

24. The Working Group positively met the results achieved and it also shared the view of the partners of the Project that the latter will facilitate creation of conditions for fostering communication and match-making services/projects among technology SMEs in BSEC region. Furthermore, it can foster a culture of collaboration as well as to create an effective virtual platform for knowledge sharing and professional exchanges among technology startups etc.

25. It was also noted that the Project will have an additional value for the implementation of the BSEC Public Communication Strategy by multiplying stakeholders in the BSEC activities and promoting them.

#### **ANY OTHER BUSINESS**

26. On 5 October, 2012 the participants of the ICT WG visited the annual Exhibition “DIGITEC 2012 ICT Expo”. Over 120 companies participated in the Expo with more than 20 000 visitors.

27. The Armenian delegation also extended invitation to the participants of the WG to take part in the Armtech Congress 2012 to be held on 10-11 December, 2012, Stanford University, Silicon Valley, USA.

#### **EXPRESSION OF THANKS**

28. The delegations expressed their appreciation for the Ministry of Economy of the Republic of Armenia and the Enterprise Incubator Foundation for the excellent organization of the meeting and hospitality extended to them.

#### **ADOPTION OF THE REPORT OF THE MEETING**

29. The present Report was adopted for submission to the next Meeting of the Committee of Senior Officials to be held at the BSEC Headquarters in Istanbul on 31 October - 1 November 2012.