



ORGANIZATION OF THE BLACK SEA ECONOMIC COOPERATION

Permanent International Secretariat

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REPORT OF THE MEETING OF THE BSEC WORKING GROUP ON TRANSPORT

Izmir, 26-27 November 2012

1. The Meeting of the BSEC Working Group on Transport was held in Izmir on 26-27 November 2012.
2. The Meeting was chaired by Mr. Bekir GEZER, Director General of Foreign Relations and EU Affairs of the Ministry of Transport, Maritime Affairs and Communications of the Republic of Turkey.
3. The following BSEC Member States participated in the Meeting:
 - Republic of Armenia
 - Republic of Azerbaijan
 - Republic of Bulgaria
 - Georgia
 - Hellenic Republic
 - Republic of Moldova
 - Romania
 - Russian Federation
 - Republic of Serbia
 - Republic of Turkey
 - Ukraine
4. The representative of the European Commission participated in the Meeting as BSEC Observer.
5. The representatives of the Black and Azov Seas Ports Association (BASPA), Black Sea International Shipowners Association (BINSAs), Black Sea Region Association of Shipbuilders and Shiprepairers (BRASS) and Union of Road Transport Associations in the BSEC Region (BSEC-URTA) participated in the Meeting in the capacity of Sectoral Dialogue Partners.

6. The representative of the International Road Transport Union (IRU) and the Joint Permanent Technical Secretariat of the Black Sea Ring Highway (BSRH JPTS) participated in the Meeting as Guests.

The List of Participants of the Meeting is attached as **Annex I**.

7. The Draft Agenda of the Meeting was discussed and adopted. The Agenda, as adopted, is attached as **Annex II**.

AGENDA ITEM 2. Implementation of the resolutions, decisions, recommendations of the Council of Ministers of Foreign Affairs and follow-up of the Moscow Joint Declaration on Strengthening the Co-operation in the Field of Transport in the BSEC Region “Towards safe, secure, coherent and efficient transport system in the Black Sea region” (21 October 2011, Moscow).

8. The Working Group took note of information provided by the BSEC PERMIS about decisions of the Summit of Heads of State and Government on the Occasion of the Twentieth Anniversary of the Organization of the Black Sea Economic Cooperation (Istanbul, 26 June 2012), the BSEC Economic Agenda: “Towards an Enhanced BSEC Partnership” and the BSEC Public Communication Strategy, adopted by the Council of Ministers of Foreign Affairs of the BSEC Member States at its 26th meeting in Belgrade, on 11 June 2012.

9. Furthermore, it took note of the presentation by Ukraine, a Country-Coordinator in the BSEC Working Group, of a Mid-Term Evaluation Report on the BSEC transport Cooperation for a period 1 July 2011-15 November 2012, prepared with assistance of the BSEC PERMIS. The said report is attached as **Annex III**.

10. The Working Group expressed appreciation to Ukraine and the BSEC PERMIS for the work done on preparing a Mid-Term Evaluation Report of Ukraine, a Country-Coordinator in the BSEC Working Group, on the BSEC transport cooperation for a period of 1 July 2011-15 November 2012.

11. The Working Group invited the present and the future country-coordinators of the Working Group to continue the practice of presenting their updated evaluation reports on the BSEC transport cooperation for the period of their coordination prior to every meeting of the Ministers of Transport.

12. The Working Group appreciated submission by the IRU and the BSEC-URTA of joint proposals for the implementation of the BSEC Economic Agenda in transport field in 2013-2015.

AGENDA ITEM 3. Integrated road and sea transport infrastructure network in the BSEC Region. State of affairs with regard to:

Coordinated development of the Black Sea Ring Highway (BSRH):

13. The Working Group took note of information of the BSRH Joint Permanent Technical Secretariat on the state of affairs regarding the developments on alignment of the final route and in particular, that the BSRH main route passing through the territory of Armenia will be updated at the next meeting of the BSRH Steering Committee in accordance with a request provided by the Armenian side via diplomatic channels on 11 May 2011.

14. The delegations of the Republic of Moldova and Romania reiterated their joint position as stipulated in the joint letter of the Ministers of Transport of the two Member States (Verbale Note No: BS/INFO.2012.0670 dated 9 March 2012).

15. The Ukrainian delegation reiterated its position as it was reflected in the Report of the Steering Committee of the Development of the Black Sea Ring Highway, in Rostov-on-Don on 27 September 2011.

16. The Working Group invited the interested Member States to apply every effort to find a solution on the issue of connections in order to enable finalization of the BSRH main route and commencement of work on preparing the pre-feasibility study, as well as it invited the Bulgarian Chairmanship in the Steering Committee and the BSRH JPTS to continue apply every effort to facilitate the negotiations.

17. The Working Group took note of information of the Republic of Turkey that construction of the BSRH at its territory from the borders of Greece and Bulgaria to the border of Georgia has been completed as well as of its call to the other Parties to the MoU about the need of soonest proceeding with construction of other BSRH parts.

Model Highway Initiative

18. The Working Group took note of the presentation, made by the “Egnatia ODOS S.A.” on the pre-feasibility study of the “Baku – Tbilisi – Batumi – Trabzon Model Highway” done by the “Egnatia ODOS S.A.” with financing of the Black Sea Trade and Development Bank and International Road Transport Union, which contained information on main elements and findings of the pre-feasibility study.

19. The Republic of Armenia reiterated its willingness to incorporate the Armenian “North-South Highway” into the project.

20. The Working Group appreciated the efforts of the IRU, the BSTDB, “Egnatia ODOS S.A.” and respective countries for a concrete contribution to the development and promotion of the Model Highway Initiative which, in accordance with the Moscow Declaration, has become an integral part of the Black Sea Ring Highway concept.

21. The Working Group agreed to further strengthen the established cooperation on the Model Highway Initiative through concrete plans and actions including inviting the IRU to consider expanding the MHI to territories of other Member States.

Development of the Motorways of the Sea in the BSEC Region

22. The Working Group took note of information of the Bulgarian Chairmanship in the Ad hoc Working Group on the Development of the Motorways of the Sea and the BSEC PERMIS, acting in capacity of a Temporary Secretariat of the Ad Hoc Working Group, that the Member States reached the final stage in forming the necessary institutional capacity needed for the implementation of the Memorandum of Understanding on the Development of the Motorways of the Sea.

23. The Working Group acknowledged a decision of Romania, presented at the meeting, about giving priority to the Republic of Turkey, as the first seat of the JTS, provided that all the preconditions for the JTS operation agreed earlier at the meetings of the Ad Hoc WG were preserved.

24. The Working Group kindly requested the Bulgarian Chairmanship in the Ad Hoc Working Group to set up, in consultation with the Turkish side and the BSEC PERMIS, the next meeting of the Ad Hoc Working Group in order to accomplish, as soon as possible,

formation of the institutional capacity needed for the implementation of the Memorandum of Understanding on the Development of the Motorways of the Sea in the BSEC Region and starting work on elaboration of a MoS Master Plan.

Consideration of the “Draft Terms of Reference of the Experts Correspondence Network (ECN)” and operation of an interactive mailing group proposed by the Republic of Turkey

25. The Working Group postponed consideration of the Draft, taking into account solution of the issue on the first seat of the MoS JTS, and transferred it to the Ad Hoc Working Group on the Development of the Motorways of the Sea as appropriate organ for that.

Consideration of the Initiative of the Russian Federation “Development of the Multimodal Freight and Passenger Ferry Lines in the Black Sea Region”;

26. The Working Group took note of intention of the Russian Federation to submit before long a *Draft Memorandum on the Development of the Multimodal Freight and Passenger Ferry Lines in the Black Sea Region* for its consideration by the Member States and taking an appropriate decision.

27. The Republic of Turkey welcomed the eventual submission of the *draft Memorandum of Understanding* noting that its substance should not duplicate the substance of the Memorandum of Understanding on the Development of the Motorways of the Sea in the BSEC Region.

Development of Multimodal Transport in the Black Sea region taking into account the experience of the combined transport train “VIKING”;

28. The Working Group took note of the presentation by Ukraine devoted to the Development of Multimodal Transport in the Black Sea region taking into account the experience of the combined transport train “VIKING”. The presentation was also accompanied by a movie demonstrating benefits of the project in terms of cost and time effectiveness.

29. In order to expand such practices to the rest of the BSEC region Ukraine proposed to consider the possibility of undertaking the following actions:

- Creation of conditions for a wide usage in the BSEC Region of a single unified transport document at the combined transport including the maritime segment, SMGS, CIM, CIM/SMGS and publication of Annex 9 to the UNECE International Convention on Harmonization of Frontier Control of Goods (1982);
- Acceleration of goods and vehicles frontier control through harmonization of transport and customs documents and creation of an Intelligent Transport System;
- Sharing information between the parties involved could be carried out through special expert organ to be established with participation of public control bodies and private sector involved to the transport processes.
- Elaboration of a MoU on liberalization of the transport market in the BSEC Region for the development of the intermodal transportation using the harmonized data and a unified document, including in electronic format. These actions will correspond to the relevant UNECE international conventions and the European agreements in the said filed.

30. Taking into account the necessity to elaborate complex decisions, Ukraine proposed to establish a BSEC Working Group on Intermodal Transportation with participation of representatives of transport authorities, customs services and other organizations involved to transportation and expressed its readiness to develop and to promote such transportation taking into account the existing experience. The Working Group invited the Member States to present their views on this subject by 15 February 2013.

31. Ukraine also extended invitation to the relevant authorities of the Member States to take part in the 3rd International Seminar on Facilitation of Trade Procedures “Single Window – Local Solution” to be held under auspices of the UNECE and the Government of Ukraine, on 30 May 2013 in Odessa.

Consideration of the issue on Integrated Maritime Policy in the field of maritime transport ports, shipbuilding and shiprepairing in the region.

32. The BSEC PERMIS drew attention to the need of addressing the subject on elaboration of *an Integrated Maritime Policy in the field of Maritime Transport, Ports, Shipbuilding and Shiprepairing in the Region* in accordance with the Sofia Joint Declaration on Strengthening the Co-operation in the Field of Transport in the BSEC Region “Through enhanced BSEC regional transport co-operation towards a sustainable economic growth and prosperity” (15 April 2010, Sofia) and the BSEC Economic Agenda: “Towards an Enhanced BSEC Partnership”.

33. The Working Group took note of the suggestions of the BRASS with regard to the need to take proper actions on the subject.

34. The Working Group suggested to the BSEC PERMIS to bring the issue to the consultations with the European Commission and to the COEST–BSEC meeting as such policy has already been elaborated within the EU’s framework and the EU’s experience in this field would greatly facilitate consideration of the subject in BSEC.

Facilitation of Road Transport of Goods in the BSEC Region

35. The Working Group took note of information of the Serbian Chairmanship in the Steering Committee on Facilitation of Road Transport of Goods in the BSEC Region that for a year the Steering Committee continued intensively its work on the issues of gradual liberalization of transport, visa facilitation, harmonization of charging policies and other. Since the Transport Ministerial meeting in Moscow on 21 October 2011, the Steering Committee had two meetings accompanied by the BSEC-IRU-BSEC-URTA meetings of experts on Implementation of the International Vehicle Weight Certificate (IVWC) under Annex 8 to the UN Harmonization Convention and on taxation of road transport of goods in the BSEC Member States.

36. Furthermore, this work resulted in the decision of the Council of Ministers of Foreign Affairs of the BSEC Member States to implement the Pilot project for the issuing the BSEC permit for trucks on a permanent basis by Albania, Armenia, Georgia, Moldova, Romania, Serbia and Turkey.

37. With regard to the International Vehicle Weight Certificate (IVWC), the Working Group took note of the readiness of some BSEC Member States to participate in the BSEC IVWC Pilot Project.

38. Ukraine proposed to exchange views on the possibility of expanding the BSEC permit project to third country transport in the BSEC region at the next meeting of the Steering Committee on Facilitation of Road Transport of Goods taking into account the possible economic consequences of the expanding.

39. Furthermore, the Working Group decided to propose to the Council of Ministers of Foreign Affairs of the BSEC Member States creation of a Task Force under the authority of the Steering Committee with a task to elaborate a road map for implementation of the BSEC IVWC Pilot Project.

40. The Working Group appreciated the work done so far by the Steering Committee and the efforts of the Serbian Chairmanship for dedicative work on the implementation of the MoU during two successive chairmanships.

AGENDA ITEM 4. BSEC transport cooperation with EU, international organizations (UNECE, Danube Commission, CEI, IRU, IRF) and the BSEC Sectoral Dialogue Partners (BASPA, BINSAs, BRASS, BSEC-URTA).

41. The EU representative referred to the Istanbul Summit declaration on the occasion of the 20th Anniversary of the BSEC (26 June 2012), which confirms importance of establishment of strategic relations with the EU.

42. The EU representative informed that the European Union has been working on revitalizing the Black Sea Synergy and reviewing its various financial cooperation schemes in the Black Sea region as well as on the BSEC's Economic Agenda for future. The ultimate aim is to link the EU's internal and external instruments and policies in a coherent way towards cooperation with the Black Sea region.

43. Furthermore, the EU representative informed that the integrated maritime policy, including on the Black Sea, is a priority area. Also motorways of the sea and short sea shipping are priorities under the EU's transport policy.

44. In addition, the representative of EU informed on the upcoming COEST-BSEC meeting in early December 2012 in Brussels may provide an opportunity for exchanging further views in the transport policy field and integrated maritime policy.

45. The Working Group took note of information by the BSEC PERMIS on the state of the present BSEC-UNECE cooperation. In particular, accession by the Member States to the UNECE conventions and agreements is a permanent issue on the agenda of the Steering Committee on Facilitation of Road Transport of Goods.

46. Development of the Black Sea Ring Highway along with the Model Highway Initiative is an important contribution to the development of the Euro-Asian Transport links being implemented under the UNECE auspices and the BSEC seeks to achieve synergy effect in this work.

47. Following the arrangements done by the UNECE and the BSEC within the framework of the UN Decade of Action for Road Safety (2011-2020) the Republic of Bulgaria, the Republic of Moldova, the Republic of Serbia and Ukraine completed the Questionnaire "UNECE-BSEC Pilot Project on Readiness Assessment for the Implementation of the Decade of Action for Road Safety (2011-2020) in the BSEC Region" which was communicated to the UNECE.

48. The Working Group expressed its readiness to continue strengthening cooperation with the UNECE on the subjects that represent common interest in the BSEC Region.

49. Furthermore, the Working Group invited the Member States, which have not done it so, to complete the Questionnaire “UNECE-BSEC Pilot Project on Readiness Assessment for the Implementation of the Decade of Action for Road Safety (2011-2020) in the BSEC Region” and send it to the BSEC PERMIS and to the UNECE.

50. The Working Group took note of information and presentations by the IRU, the BSEC-URTA and the BASPA on the present state of their cooperation with the BSEC and its prospects.

51. The Working Group expressed its appreciation to:

- the IRU and the BSEC-URTA for the long-lasting fruitful cooperation resulted in implementation of some initiatives in the past and continuing in 2012 with such endeavors as the Model Highway Initiative, the Project for the issuing the BSEC permit, elaboration of the IVWC Pilot Project and others.
- the BASPA and the BINSAs for their contribution to organization in 2012 of a series of conferences and fora under the BSEC auspices promoting transport and visibility of the BSEC as well as to the BSEC activities in the maritime field.
- the BRASS along with the BINSAs for their continued support to consideration in the BSEC of the issue on Integrated Maritime Policy in the field of maritime transport ports, shipbuilding and shiprepairing in the region and to the necessity to take into account the environmental aspects in the transport processes in the Black Sea.

52. The Working Group took note of the proposal of the International Union of Railways regarding the establishment of cooperation and signing a relevant memorandum and invited the Member States to present their views in this regard by 15 February 2013. The draft MoU is attached as **Annex IV**.

53. The Working Group requested the BSEC PERMIS to provide information on the state of affairs with regard to the implementation of the MoU between BSEC PERMIS and the Permanent Secretariat of the IGC TRACECA to the next meeting.

AGENDA ITEM 5. Consideration of project proposals

Consideration of the Project “BSEC PORTS” proposed by the Republic of Turkey

54. The Working Group took note of the project proposal “BSEC PORTS” presented by the Republic of Turkey as a valuable platform for presenting the Black Sea ports profiles, standardization of information, creation of business opportunities and assisting to formation of fair competition conditions.

55. The Working Group suggested implementation of the project within the Memorandum of Understanding on the Development of the Motorways of the Sea in the BSEC Region.

AGENDA ITEM 6. Preparing a Work Program for 2013.

56. The WG approved the Work Program of the BSEC transport activities for 2013 which is open for amendments and further proposals. The relevant proposals should be sent to the Member States through BSEC PERMIS. The Work Program as agreed by the WG is attached as **Annex V** to the present Report.

AGENDA ITEM 7. Consideration of the Draft Izmir Joint Declaration on Cooperation in the Sphere of Transport in the BSEC Region (Izmir, Republic of Turkey, 28 November 2012)

57. The Draft Izmir Joint Declaration on Cooperation in the Sphere of Transport in the BSEC Region was considered, amended and submitted to the Meeting of the Ministers of Transport of the BSEC Member States for adoption. The text of the Final Draft is attached to the present Report as **Annex VI**.

ANY OTHER BUSINESS

58. No issues were raised under this Agenda item.

DATE AND VENUE OF THE NEXT MEETING

59. The date and venue of the next meeting of the Working Group on Transport will be communicated at a later stage.

ADOPTION OF THE REPORT OF THE MEETING

60. The Working Group adopted the present Report to be submitted to the Meeting of the Ministers of Transport of the BSEC Member States and the Meeting of the BSEC Committee of Senior Officials.