



Organization of the
Black Sea Economic Cooperation

Specific financing needs and solutions in the UNECE/OSCE region

*Conference on Financing Development of
Road & Rail Transport Infrastructures
17 November 2010, Vienna*

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Brief info on BSEC

- Established on 25 June 1992 in Istanbul by the Heads of State or Government of Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey, Ukraine.
- BSEC came into existence as a unique and promising model of multilateral political and economic initiative aimed at fostering interaction and harmony among the Member States, as well as to ensure peace, stability and prosperity, encouraging friendly and good-neighbourly relations in the Black Sea region.
- With the entry into force of its Charter on 1 May 1999, BSEC acquired international legal identity and was transformed into a full-fledged regional economic organization: Organization of the Black Sea Economic Cooperation.

- With the accession of Serbia in April 2004, the Organization's Member States increased to twelve:

- Republic of Albania
- 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



- **BSEC Related Bodies and Affiliated Centers consist of :**

- **The Parliamentary Assembly (PABSEC)**
- **The Business Council (BSECBC)**
- **The Black Sea Trade & Development Bank (BSTDB)**
- **The International Center for Black Sea Studies (ICBSS)**
- **The BSEC Coordination Center for the Exchange of Statistical Data and Economic Information**

- **Observer status in the BSEC is open, upon request, to any State or international organization which express readiness to make practical and valuable contribution to the work of the BSEC :**

- **Republic of Austria**
- **Republic of Belarus**
- **Republic of Croatia**
- **Czech Republic**
- **Arab Republic of Egypt**
- **French Republic**
- **Federal Republic of Germany**
- **State of Israel**
- **Republic of Italy**
- **Republic of Poland**
- **Slovak Republic**
- **Republic of Tunisia**
- **United States of America**
- **Commission of the European Communities**
- **International Black Sea Club**
- **Energy Charter Secretariat**
- **Black Sea Commission**

- **BSEC promotes relationship with third parties (states, international organizations and institutions) interested to cooperate on various matters of mutual concern through Sectoral Dialogue Partnership:**

- **Republic of Hungary**
- **Islamic Republic of Iran**
- **Japan**
- **Hashemite Kingdom of Jordan**
- **Montenegro**
- **Republic of Slovenia**
- **United Kingdom of Great Britain and Northern Ireland**
- **Black and Azov Seas Ports Association (BASPA)**
- **Black Sea International Shipowners Association (BINSA)**
- **Black Sea Region Association of Shipbuilders and Shiprepairers (BRASS),**
- **Union of Road Transport Association in the Black Sea Economic Cooperation Region (BSEC-URTA)**
- **Conference of Peripheral Maritime Regions for Europe (CPMR)**
- **Danube Commission**
- **International Network for SMEs (INSME)**
- **Regional Commonwealth in the Field of Communications (RCC)**



- BSEC is an organization of economic cooperation uniting an area of nearly 20 million km², a market of 330 million people, and reaching a foreign trade capacity of over 300 billion US Dollars annually.

• It serves as a forum for cooperation in a wide range of areas that include the following Working Groups and Groups of Experts:

- Agriculture and Agro-industry
- Banking and Finance
- Combating Organized Crime
- Culture
- Customs Matters
- Education
- Emergency Assistance
- Energy
- Environmental Protection
- Exchange of Statistical Data and Information
- Healthcare and Pharmaceuticals
- Information and Communication Technologies
- Institutional Renewal and Good Governance
- Science and Technology
- SMEs
- Tourism
- Trade and Economic Development
- Transport

- **The following agreements and memoranda of understanding are in force to facilitate cooperation among the BSEC Member States:**

- **Agreement Among the Governments of the Black Sea Economic Cooperation Participating States on Cooperation in Combating Crime, in Particular in its Organized Forms**
- **Agreement Among the Governments of the Participating States of the Black Sea Economic Cooperation (BSEC) on Collaboration in Emergency Assistance and Emergency Response to Natural and Man-made Disasters**
- **Memorandum of Understanding on Facilitation of Road Transport of Goods in the BSEC Region**
- **Memorandum of Understanding for the Coordinated Development of the Black Sea Ring Highway**
- **Memorandum of Understanding on the Development of the Motorways of the Sea at the BSEC Region**
- **Agreement on Simplification of Visa Procedures for the Businesspeople Nationals of the BSEC Member States**
- **Agreement on Simplification of Visa Procedures for Professional Lorry Drivers Nationals of the BSEC Member States**
- **Memorandum of Understanding on Cooperation Among Diplomatic Academies and Institutes of the Ministries of Foreign Affairs of the Member States of the Organization of Black Sea Economic Cooperation**

Functioning of BSEC:

- **The Council of Ministers of Foreign Affairs of the BSEC Member States is the main decision-making organ of the BSEC.**
- **The Committee of Senior Officials represents the Ministers of Foreign Affairs of the BSEC Member States and acts on their behalf.**
- **Subsidiary Organs (Working Groups, Groups of Experts) carry out their mandate defined by the Council of Ministers of Foreign Affairs, draw up joint projects as well as pursue the implementation of such projects/activities in their respective areas.**
- **All activities carried out within the framework of BSEC are coordinated by the Chairman-in-Office which also ensures the proper conduct of BSEC proceedings as well as the implementation of the Resolutions and Decisions adopted by the Council. The Chairmanship rotates every six months in English alphabetical order.**

Project Development Fund (PDF):

- Since 2004, the BSEC Project Development Fund (PDF) provides grants to pre-feasibility studies of significant regional projects under the guidance of the BSEC Working Groups. Following its revision in 2008, PDF may grant up to 30,000 Euros to projects from at least three BSEC Member States.

BSEC Hellenic Development Fund (BSEC-HDF):

- Established in 2008, the BSEC Hellenic Development Fund (BSEC-HDF) provides grants of at least 50,000 Euros and up to 80% of the total costs in six eligible areas taking into consideration the guidelines of DAC/OECD and following the respective Calls for Proposals.
- More information is available at www.bsecprojects.com

The Permanent International Secretariat of the Organization of the Black Sea Economic Cooperation (PERMIS):

- The BSEC Headquarters - the Permanent International Secretariat of the Organization of the Black Sea Economic Cooperation (BSEC PERMIS) is located in Istanbul.



Transport

- **Transport is one of the most active areas of cooperation in BSEC.**
- **Transport was shortlisted among the priority areas of cooperation at the 15th Anniversary Summit of Heads of State and Government of BSEC Member States in Istanbul in 2007.**
- **BSEC initiatives in the field of transport are elaborated within the Working Group on Transport - a subsidiary organ of BSEC.**



- **Transport cooperation in the region requires:**

- **joint efforts of public and private sectors in seeking innovative approaches to the improvement of regional transport infrastructure networks,**
- **removal of physical and administrative barriers.**

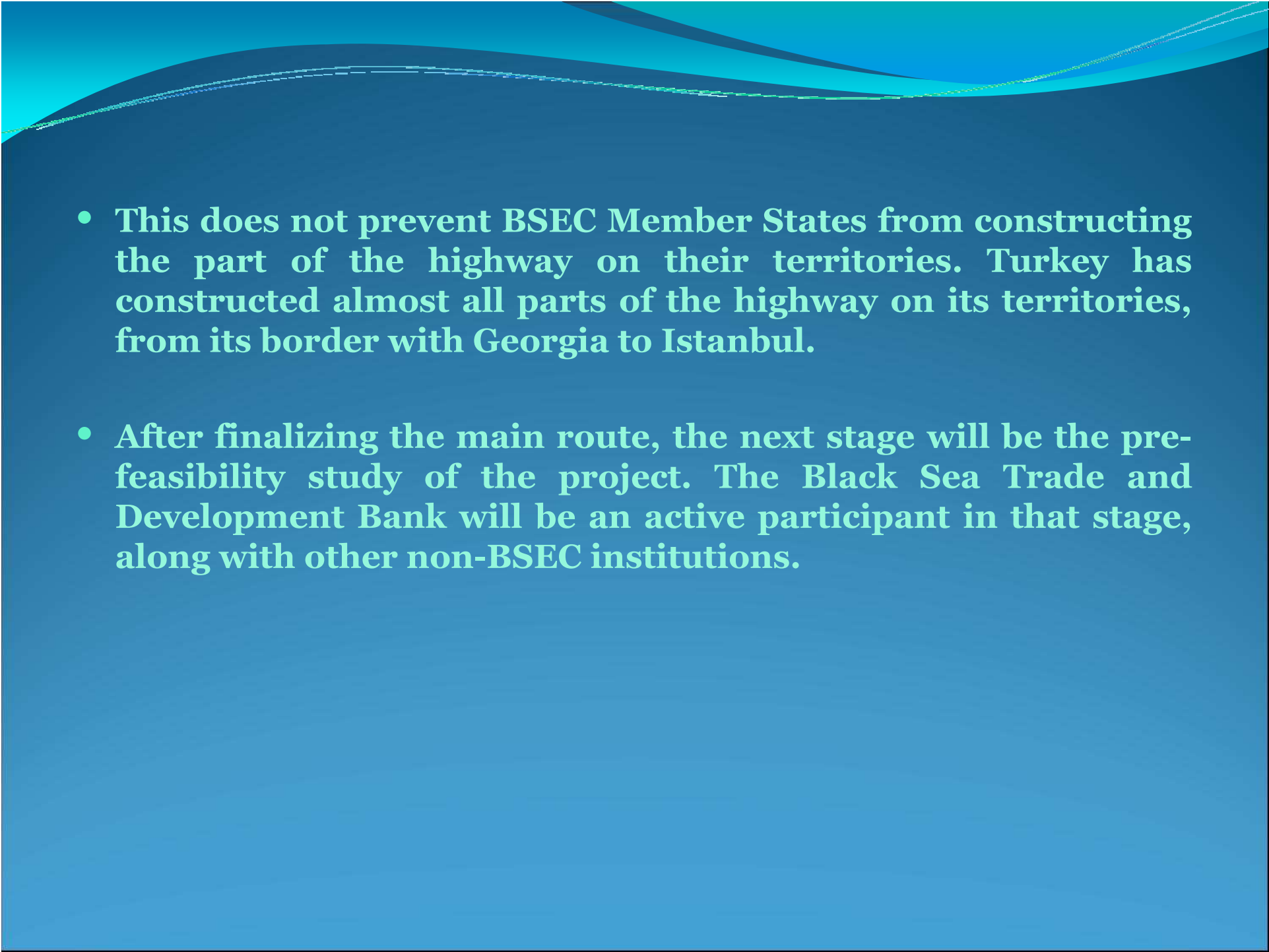
- **There are three main BSEC transport projects:**

- **Project on the Coordinated Development of the Black Sea Ring Highway (BSRH)**
- **Project on the Development of the Motorways of the Sea in the BSEC region**
- **Facilitation of the Road Transport of Goods in the BSEC Region Project**

1) Black Sea Ring Highway Project

- BSRH project envisages a four lane ring highway system, approximately 7100 km long, to connect the BSEC Member States with each other.
- An MoU was signed in 2007.
- Work is carried out in the Steering Committee at the level of high level transport officials of the participating states.
- Basic documents for implementation of the MoU have been elaborated.
- Joint Permanent International Secretariat was established in Thessaloniki.
- Work on alignment of the BSRH route has come to a final stage.



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- This does not prevent BSEC Member States from constructing the part of the highway on their territories. Turkey has constructed almost all parts of the highway on its territories, from its border with Georgia to Istanbul.
 - After finalizing the main route, the next stage will be the pre-feasibility study of the project. The Black Sea Trade and Development Bank will be an active participant in that stage, along with other non-BSEC institutions.

2) Motorways of the Sea in the BSEC Region Project

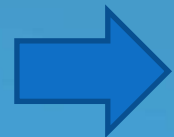
- MoS project's objective is :
 - to concentrate flows of freight on sea-based logistical routes to improve existing maritime links
 - or
 - to establish new, regular and frequent maritime links for the transport of goods and persons.
- An MoU was signed in 2007.
- The main documents for the implementation of the MoU have been almost finalized.



- **Activities within the project will include:**
 - **upgrading port facilities**
 - **identification of projects of common interest**
 - **securing free and fair competition in international shipping**
 - **facilitation of access to all modes of transport**
 - **promotion of inter-modality and enhancement of maritime security and safety in the BSEC region.**

3) Facilitation of Road Transport of Goods in the BSEC Region Project

- **An MoU was signed in 2002 (went into force in 2006).**
- **The objective is to facilitate regional trade.**
- **A Steering Committee on the Facilitation of Road Transport of Goods was established within the framework of the MoU.**
- **Issues of accession to the UNECE international transport agreements, facilitation of visa procedures for the professional drivers, harmonization of charging policies etc. are on the agenda of the Steering Committee.**



- Recently, an important additional step has been taken in the sphere of road transport facilitation. A pilot project on the establishment of a BSEC Permit system for the road transit of goods has been launched with the participation of seven BSEC Member States (Albania, Armenia, Georgia, Moldova, Romania, Serbia and Turkey) in February 2010. This is a BSEC regional license similar in nature to the ECMT license.

THE ORGANIZATION OF THE BLACK SEA ECONOMIC COOPERATION

BSEC

JOURNEY AUTHORIZATION
(outward and return)
FOR THE INTERNATIONAL CARRIAGE OF GOODS BY ROAD
No 123456789
FREE OF CHARGE
ISSUED TO THE MINISTRY OF TRANSPORT OF ALBANIA FOR
2010

This authorization is issued to.....

For the international carriage of goods between..... and.....

Registration Number of Vehicle (coupled combination).....

Issued at..... Date.....

Signature and stamp of Authority issuing authorization.....

Outward Return

THE ORGANIZATION OF THE BLACK SEA ECONOMIC COOPERATION

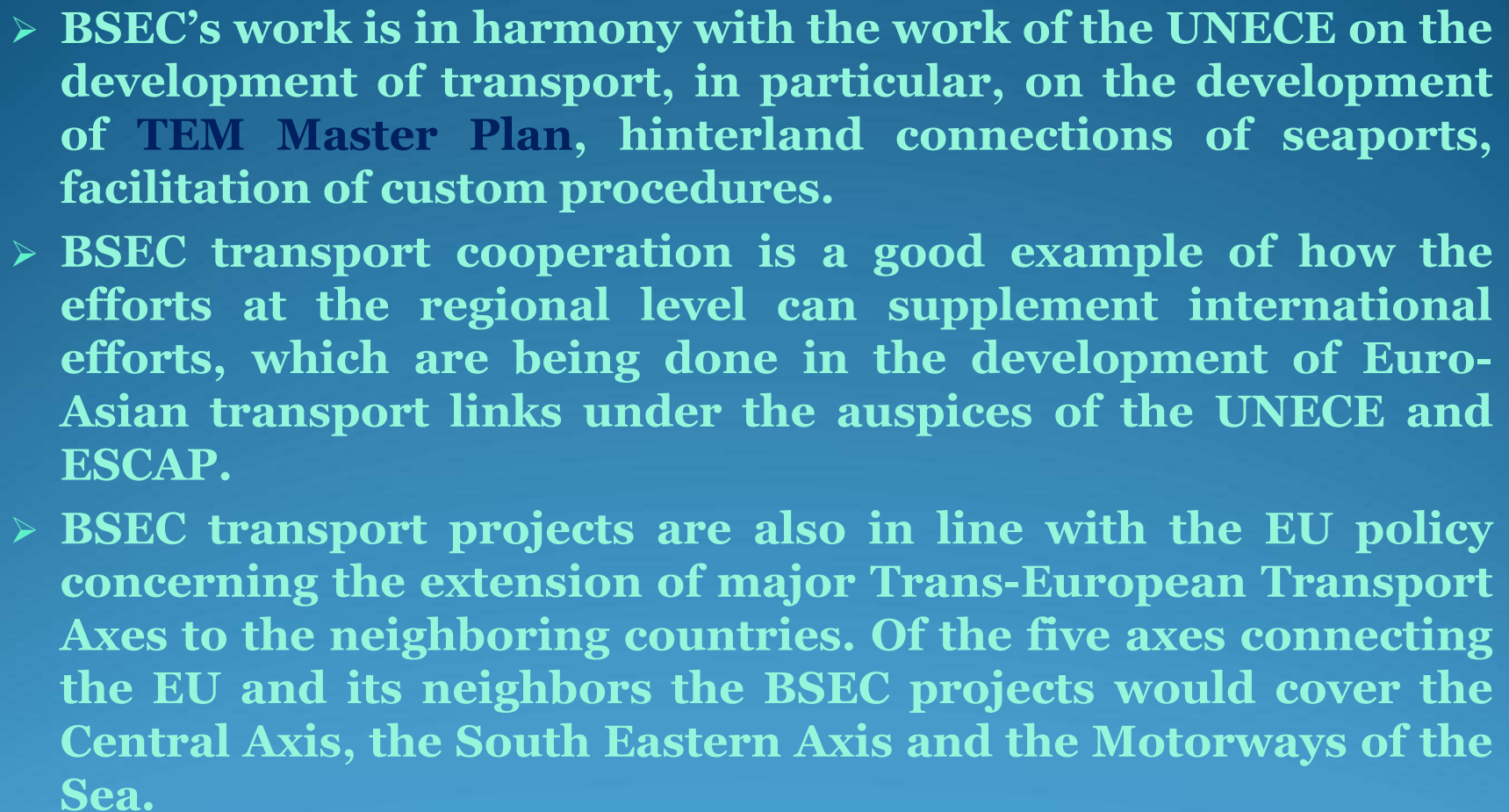
BSEC

Country	Outward	Return
ARMENIA		
AZERBAIJAN		
BULGARIA		
GEORGIA		
GREECE		
MOLDOVA		
ROMANIA		
RUSSIA		
SERBIA		
TURKEY		
UKRAINE		

- BSEC Agreement on Simplification of Visa Procedures for the Professional Lorry Drivers Nationals of the BSEC Member States, signed in 2008, is yet another concrete step taken by the BSEC countries to facilitate road transport of goods and increase regional trade.

- **BSEC cooperation with international organizations in the field of transport:**

- **Much of BSEC's success in the development of transport cooperation is supported by its fruitful cooperation with other transport organizations – UNECE, UNDP, CEI, CIS TC, TRACECA, IRU, IRF and transport business associations - BASPA, BINSa, BRASS and BSEC-URTA.**
- **As far as BSEC-UNECE cooperation is concerned, it is based on the Cooperation Agreement dated 2 July 2001.**
- **BSEC-UNECE cooperation started in the mid-1990s, during joint efforts to develop the Crete corridors.**
- **BSEC and UNECE Secretariats have regular contacts and consultations at the highest level and participate in each other's meetings.**
- **BSEC Member States are at the same time members of the UNECE.**

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- BSEC's work is in harmony with the work of the UNECE on the development of transport, in particular, on the development of **TEM Master Plan**, hinterland connections of seaports, facilitation of custom procedures.
 - BSEC transport cooperation is a good example of how the efforts at the regional level can supplement international efforts, which are being done in the development of Euro-Asian transport links under the auspices of the UNECE and ESCAP.
 - BSEC transport projects are also in line with the EU policy concerning the extension of major Trans-European Transport Axes to the neighboring countries. Of the five axes connecting the EU and its neighbors the BSEC projects would cover the Central Axis, the South Eastern Axis and the Motorways of the Sea.

- The financing needs for BSEC transport infrastructure projects could be sorted at the preparation stage with regard to:

- Development of state structures which support execution of large infrastructure projects.
- Setting up bilateral and international communication channels (as projects involve a number of countries).
- Feasibility studies which approve and sustain the necessity of large scale projects.
- Promotion of commercial viability of such projects.
- Development of detail designs.

- The financing needs for BSEC transport infrastructure projects at the execution stage involve:

- Financing the project construction.
- Monitoring the execution of the project.
- Reporting to the relevant authorities.
- Redesigning according to unforeseen conditions.

- All or part of the above mentioned financing needs could be covered by:
 - Relevant programs of the EU for member countries and for connected countries.
 - International finance organizations such as the World Bank, European Investment Bank, etc.
 - International development funds of more economically developed countries (MEDC).
 - Banks and interested construction shapes in case of concession projects.
 - Appropriate allocation of resources from State budget.

- In conclusion, development of regional transport infrastructures requires:

- national planning and commitment
- regional cooperation
- cooperation with international organizations working in the field of transport.

**THANK YOU FOR
YOUR ATTENTION!**



For more information, please contact BSEC PERMIS.

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