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**FORTY-FORTH PLENARY SESSION OF THE PABSEC GENERAL ASSEMBLY  
ECONOMIC, COMMERCIAL, TECHNOLOGICAL AND ENVIRONMENTAL AFFAIRS  
COMMITTEE**

**REPORT\***

**“THE ROLE OF PARLIAMENTS OF THE BSEC MEMBER STATES IN THE  
ENHANCEMENT AND REGULATION OF INTERNATIONAL PASSENGER AND  
CARGO TRANSPORTATION IN THE BSEC REGION”**

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\* *The text was considered and adopted at the Forty-Third Meeting of the Economic, Commercial, Technological and Environmental Affairs Committee in Batumi (Georgia) on 29 September 2014 and approved by the 44<sup>th</sup> General Assembly in Athens on 9 December 2014.*

## I. INTRODUCTION

1. The 42<sup>nd</sup> Meeting of the Economic, Commercial, Technological and Environmental Affairs Committee held in Tirana on 11 March 2014 decided to consider the issue on “The Role of Parliaments of the BSEC Member States in the Enhancement and Regulation of International Passenger and Cargo Transportation in the BSEC Region” as the main topic of the 43<sup>rd</sup> Meeting of the Committee based on the letter of the Secretary General of the BSEC PERMIS.
2. Transport sector is an important component of the economy and a common tool used for development. This is even more so in a global economy where economic opportunities are increasingly related to the mobility of people, goods and information. The most fundamental impacts of transportation relate to the physical capacity to convey passengers and goods and the associated costs to support this mobility. This involves the setting of routes enabling new or existing interactions between economic entities. High density transport infrastructure and highly connected networks are commonly associated with high levels of development.
3. Development of the transport infrastructure and facilitation of transport of goods are among the priority tasks of the BSEC Organization. Cooperation in the field of transport in the BSEC framework is carried out through the implementation of the following documents:
  - **Memorandum of Understanding for the coordinated development of the Black Sea Ring Highway.** The Black Sea Ring Highway project envisages a four lane ring highway system, approximately 7500 km long, to connect the BSEC Member States with each other. This MoU was signed on 19 April 2007 in Belgrade and it entered into force on 1 November 2008;
  - **Memorandum of Understanding on the development of the motorways of the sea in the BSEC region.** Development of the Motorways of the Sea in the BSEC region is directed at strengthening the maritime links among the ports of the BSEC Member States. The activities within this project include upgrading port facilities, identification of projects of common interest and securing free and fair competition in international shipping. This MoU was signed also on 19 April 2007 in Belgrade and it entered into force on 1 December 2008;
  - **Memorandum of Understanding on Facilitation of Road Transport of Goods.** The purpose of this MoU is to enhance cooperation among the governments of the BSEC Member States by simplifying and harmonizing the procedures, the formalities and the documentation. This MoU was signed on 6 March 2002 in Kyiv and it entered into force on 20 July 2006.
4. The transport cooperation in the framework of the BSEC represents concerted actions of the BSEC Chairmanships-in-office, Countries-Coordination in the BSEC Working Group on Transport, Chairmanships in the Steering Committee of the Development of the Black Sea Ring Highway, the Ad Hoc Working Group on the Development of the Motorways of the Sea and the Steering Committee on Facilitation of Road Transport of Goods and the BSEC Related Bodies. Due coordination was established between the BSEC Permanent International Secretariat, the Joint Permanent Technical Secretariat of the Black Sea Ring Highway and the Joint Technical Secretariat of the Motorways of the Sea. Activities represent consistency with work which had been carried out by BSEC Working Group on Transport in accordance with its Action plans.

5. The actions of the above mentioned authorities are directed towards further implementation of the Memoranda, continuation of a dialogue on cooperation in the sphere of road safety, civil aviation, increasing transport institutional capacity, undertaking new initiatives aimed at development of modern transport infrastructure and facilitation of international passenger and cargo transportation. At the same time, great role in this work belongs to the cooperation with the international organizations and associations representing the business community, participation of representatives of private companies and implementation of joint projects.
6. The present Report has benefitted from the *Evaluation Report of Ukraine*, a Country-Coordinator in the BSEC Working Group on Transport for a period 1 July 2011 - 30 May 2013, which was prepared with assistance of the BSEC PERMIS, as well as the information provided by the national delegations of Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey. The additional information was also obtained by the PABSEC International Secretariat from the relevant sources.
7. The Rapporteur would like to express particular gratitude to the BSEC PERMIS for its contribution and assistance during the preparation of this Report.

## **II. FACILITATION OF ROAD TRANSPORT OF GOODS**

8. In line with the Memorandum of Understanding on Facilitation of Road Transport of Goods in the BSEC Region the BSEC Member States continue intensive cooperation in the fields of gradual liberalization of transport, visa facilitation, harmonization of charging policies, introduction of the UNECE International Vehicle Weight Certificate, adherence to the major UNECE International Agreements and Conventions in the field of transport, etc.
9. The work on the MoU has been institutionalized by establishing the Steering Committee, which carries out its activities in accordance with the approved time-table. The Secretarial support is provided by the BSEC PERMIS in cooperation with the Union of Road Transport Associations in the BSEC Region (BSEC-URTA). In its work the Steering Committee also envisages the findings and conclusions of the NEA Study on Facilitation of Road Transport of Goods in the BSEC on the basis of data collected during the Black Sea Ring Highway Caravan. The Steering Committee also monitors the process of the accession of the BSEC Member States to the UN multilateral agreements on transport.
10. On 16 February 2010, seven BSEC Member States (Republic of Albania, Republic of Armenia, Georgia, Republic of Moldova, Romania, Republic of Serbia and Republic of Turkey) launched a new BSEC Pilot Project on Transit Permit similar with the ECMT license. The BSEC Permit is a historical milestone in facilitation of road transport of goods and in gradual liberalization of transport market in the region. Following the implementation of the pilot project the Council of Ministers of Foreign Affairs of the BSEC Member States decided to extend the term of implementation of the Pilot Project on the Issuing of the BSEC Transit Permit for Trucks for one year as of 1 February 2011<sup>1</sup> and later as of 1 February 2012<sup>2</sup>. On 19 October 2012 the Council decided to authorize establishment of the fast track cooperation among the applicant Member States, in order to implement a pilot project for issuing the BSEC transit permit for trucks on a permanent

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<sup>1</sup> Decision of the Council adopted at its 23<sup>rd</sup> Meeting (Thessaloniki, 26 November 2010)

<sup>2</sup> Decision of the Council adopted at its 25<sup>th</sup> Meeting (Moscow, 16 December 2011)

basis<sup>3</sup>. In 2013 Ukraine officially informed on its intention to participate in the Project starting with 1 January 2014.

11. The BSEC also joined the UN ECE efforts in promotion the International Vehicle Weight Certificate (IVWC) in the framework of the Annex 8 to the International Convention on Harmonization of Frontier Controls of Goods (1982), which entered into force on 20 May 2008. At the 27<sup>th</sup> Meeting of the BSEC Council of Ministers of Foreign Affairs (CMFA) in Istanbul on 15 December 2012 it was decided to establish a Task Force on elaboration of a road map for the BSEC Pilot Project on the introduction of the International Vehicle Weight Certificate (Task Force on the BSEC IVWC Pilot Project). Albania, Armenia, Georgia, Moldova, Romania and Ukraine officially informed on their interest to participate in this project. The First meeting of the Task Force on the BSEC IVWC Pilot Project was held in Istanbul on 11 March 2013. The Task Force elaborated on the issues related to the implementation of the Project and agreed upon that that the road map for the BSEC Pilot Project should come through several stages: Preparatory stage, Implementation stage and Preparing First Evaluation Report.
12. Facilitation of visa procedures for professional drivers remains the important issue for facilitating transportation in the Region. In many countries professional drivers are treated like “tourists” needing the entry visas. Obtaining visas in its turn leads to long delays and high costs for transport operations. On 23 October 2008 in Tirana, the BSEC CMFA approved the Agreement on Simplification of Visa Procedures for Professional Drivers Nationals of the BSEC Member States and invited the interested states to sign it. This important agreement is designed to contribute to the resolution of the visa issue for professional drivers. The Agreement was signed by Albania, Armenia, Moldova and Turkey. Albania and Turkey have already ratified it.
13. Another issue on the BSEC transport agenda is the harmonization of charging policies in the BSEC Region. The Steering Committee has been considering the taxation issues related to road transport of goods. In this sphere the valuable support has been provided by the International Road Transport Union (IRU), which opened its database for the BSEC use including information on road user charges, other charges and taxes.

### **III. DEVELOPMENT OF ROAD AND MARITIME INFRASTRUCTURE**

14. Cooperation in the field of development of the road and maritime infrastructure continues in the framework of the Memorandum of Understanding for the Coordinated Development of the Black Sea Ring Highway and the Memorandum of Understanding on the Development of the Motorways of the Sea in the BSEC region.
15. The work on the Black Sea Ring Highway Project was institutionalized by the establishment of the Steering Committee and the Joint Permanent Technical Secretariat. The Secretariat is managed by the public Greek company “Egnatia Odos S.A.”. The Steering Committee at its 6<sup>th</sup> Meeting in Rostov-on-Don on 27 September 2011 agreed upon the points of alignment of the Black Sea Ring Highway (BSRH). The meeting of the Steering Committee which elaborate the further steps for the implementation of the MoU on the Coordinated Development of the Black Sea Ring Highway was held on 29<sup>th</sup> September 2014 at the BSEC HQ in Istanbul.
16. On 16 April 2014 in Sofia during Meeting of Ministers of Transport of the BSEC Member States the Minister of Transport and Road Infrastructure of the Republic of

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<sup>3</sup> Decision of the Council adopted by the silence procedure.

Moldova, the Minister of Transport of Romania and the Minister of Infrastructure of Ukraine met with the aim to finalize the alignment of the BSRH main route passing through their territories and its connections and came up with the Joint Statement.

17. The work on the Motorways of the Sea Project was institutionalized by the establishment of the Ad-Hoc Working Group and the Joint Technical Secretariat (JTS). The JTS is operated on a biannual rotation basis among Turkey, Romania, Russian Federation and Ukraine. 41 ports were proposed for their participation in the development of this MoS. Concept of the MoS Master Plan was approved. The Ad-Hoc Working Group which elaborates further steps for the implementation of the MoU on the development of the Motorways of the Sea in the BSEC region was held on 30<sup>th</sup> September 2014 at the BSEC HQ in Istanbul.
18. In 2011, the BSRH Steering Committee decided to include the IRU initiative on creating the Model Highway along the Black Sea Ring Highway sections into the Master-Plan and to cooperate with the IRU in preparing the Feasibility Study on the Model Highway Initiative project. This initiative is directed at creation of modern highways and bringing ancillary road infrastructure to the highest European standards.
19. Also in 2011, in the framework of the Ad-Hoc Working Group on the Development of the Motorways of the Sea, the Russian Federation came up with the initiative to develop the multimodal freight and passenger Black Sea Ferry Lines. This initiative was welcomed by the BSEC Member States and on 5 April 2013 the BSEC PERMIS disseminated the draft “Memorandum of Understanding on the Development of Multimodal Ferry Lines in the Black Sea Region”, prepared by the Ministry of Transport of the Russian Federation.
20. At the Meeting of the BSEC Working Group on Transport in Izmir in November 2012 Ukraine proposed to consider the issue of the “Development of Multimodal Transport in the Black Sea Region taking into account the experience of the combined transport train “VIKING”. Following the Odessa Joint Declaration on the Development of Cooperation in the field of Transport in the BSEC Region: “Opportunities and Challenges for intermodal transport in the BSEC Region” (29 May 2013), adopted by the BSEC Ministers of Transport, the CMFA<sup>4</sup> agreed to establish a Task Force on studying the possibilities regarding the cooperation in intermodal transportation in the Black Sea region, within the framework of the BSEC Working Group on Transport.
21. In the Sofia Joint Declaration on Strengthening the Cooperation in the Field of Transport in the BSEC Region adopted in 2010, the Ministers of Transport agreed to consult with competent national authorities to consider the possibility of elaboration of an Integrated Maritime Policy in the field of Maritime Transport, Ports, Shipbuilding and Shiprepairing in the Region as an important factor for sustainable economic growth. The initiative was included to the “BSEC Economic Agenda: Towards an Enhanced BSEC Partnership” and it is on the agenda of the Working Group on Transport. 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.

#### **IV. STRENGTHENING THE BSEC INSTITUTIONAL CAPACITY**

22. In their declaration the Ministers of Transport have emphasized the great importance of enhanced cooperation between the BSEC and the European Union, international

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<sup>4</sup> 28<sup>th</sup> Meeting of the Council of Ministers of Foreign Affairs of the BSEC Member States, Odessa, 21 June 2013

organizations of the UN system and other international, intergovernmental and nongovernmental organizations, as well as organizations of regional economic cooperation and international financial institutions. They also welcomed the enhanced cooperation that exists between BSEC and the UN Economic Commission for Europe (UNECE), IRU, International Road Federation (IRF) as well as the Sectoral Dialogue Partners in transport field like the Black and Azov Seas Ports Association (BASPA), the Black Sea International Shipowners Association (BINSIA), the Black Sea Region Association of Shipbuilders and Shiprepairers (BRASS) and the BSEC-URTA in developing road transport in the BSEC region. They also recognized the necessity of more extensive involvement of the business community in the implementation of projects for the development of transport infrastructure and transport links, particularly on the basis of public-private partnership.

23. To this end the BSEC has signed the following cooperation agreements:

- Cooperation Agreement between the Organization of the Black Sea Economic Cooperation (BSEC) and the United Nations Economic Commission for Europe (UN/ECE) (2 July 2001);
- Memorandum of Understanding between the Organization of the Black Sea Economic Cooperation and the International Road Transport Union (IRU) (27 September 2006);
- Memorandum of Understanding between the Organization of the Black Sea Economic Cooperation and the International Road Federation (IRF) (24 November 2006);
- Memorandum of Understanding between the Permanent International Secretariat of the Organization of the Black Sea Economic Cooperation and the Permanent Secretariat of the Intergovernmental Commission TRACECA (13 December 2007);
- At present, the draft Memorandum of Understanding between the Organization of the Black Sea Economic Cooperation (BSEC) and the International Union of Railways (UIC) is under consideration of the Member States.

24. It is noteworthy to mention that the EU representative took part in the meetings of the BSEC Working Group on Transport and the Meeting of the Ministers of Transport in Izmir where he 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. It was stressed that 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.

#### ***BSEC-UNECE COOPERATION***

25. The BSEC and UNECE closely cooperate for the development of the Euro-Asian Transport Links (EATL) implemented under the UNECE EATL Group of Experts with participation of 27 countries from Eurasian Region including 10 BSEC Member States, and the BSEC projects like the Black Sea Ring Highway, the Motorways of the Sea and the Facilitation of Road Transport of Goods. The synopsis of the BSEC-UNECE cooperation was presented by the BSEC PERMIS at the 74<sup>th</sup> and 75<sup>th</sup> sessions of the UNECE Inland Transport Committee in Geneva in 2013.

26. Following the adoption of the Ioannina Declaration on Improving Road Safety in the BSEC Region (19 November 2010) in the framework of the implementation of the UN Resolution 64/255 proclaiming the period 2011-2020 as the Decade of Action for Road Safety, the BSEC and the UNECE strengthened the joint actions in addressing road safety

and invited the BSEC Member States to set their own national road traffic casualty reduction targets and monitor progress. Hence, the Ministers of Transport reaffirmed the importance of implementing measures to reduce the number and decrease the gravity of road crashes in the BSEC region.

***COOPERATION WITH ORGANIZATIONS OF THE ROAD TRANSPORT INDUSTRY (IRU and BSEC-URTA)***

27. The IRU and the BSEC-URTA provided their expertise at the BSEC Meeting of Experts for Elaboration of Measures to start implementation of the International Vehicle Weight Certificate and at the Meeting of Experts on Taxation Related to Road Transport of Goods in the BSEC Member States (Belgrade, 28 March 2012). The Memorandum of Understanding for implementation of a new BSEC Pilot Project on early introduction of the UNECE International Vehicle Weight Certificate in the BSEC Region between the UNDP and the BSEC-URTA was signed in Chisinau on 3 October 2012.
28. The IRU and the BSEC-URTA presented their comprehensive ideas and proposals regarding the implementation of the BSEC Economic Agenda in the document entitled “The Joint IRU and BSEC-URTA Proposals: a Medium-Term Action Plan Aimed at Coordinating the Efforts for the Implementation of the BSEC Economic Agenda in the 2013-2015”.
29. The valuable partnerships were establishment during the BSEC-IRU-BSTDB Workshop on Investment, Financial and Technological Issues of Model Highway Initiative Implementation in Thessaloniki on 6-8 March 2012. The IRU in cooperation with BSEC, BSRH JPTS, BSTDB and national authorities substantially advanced in promoting the Model Highway Initiative and preparation of the pre-feasibility study on “Development of the Baku-Tbilisi-Batumi-Trabzon Model Highway”.
30. On 28 November 2012 in Izmir the IRU and the Union of Chambers of Commerce and Commodity Exchanges of Turkey organized the International Conference on Trade and Transport Facilitation in the Black Sea, Central Asia and Middle East Regions with participation of the Ministers from the mentioned regions. This event was organized under the patronage of the Ministry of Transport, Maritime Affairs and Communications of the Republic of Turkey and it was held together with the BSEC Meeting of Ministers of Transport. During the Ministerial meeting a Joint Statement of the Ministers of Transport of Azerbaijan, Georgia and Turkey was signed on the development of Baku-Tbilisi-Batumi-Trabzon Model Highway.
31. The meeting of the BSEC Ministers in charge of Transport was held in Thessaloniki (Greece) on 25<sup>th</sup> November 2014. Meeting adopted a “Thessaloniki Joint Declaration on the development of cooperation in the field of Transport in the BSEC region”.

***BSEC- SECTORAL DIALOGUE PARTNERS (BRASS, BASPA, BINSAs and BSEC-URTA)***

32. The BSEC Sectoral Dialogue Partners (SDP) in the field of transport continued their active participation in the BSEC transport activities through active interaction with the transport related bodies of the BSEC. The SDPs take active part in discussing such issues as gradual liberalization of transport, visa facilitation, harmonization of charging policies, introduction of the UNECE International Vehicle Weight Certificate, implementation of the pilot project for the issuing of a BSEC transit permit for trucks, elaboration of the Integrated Maritime Policy in the Field of Maritime Transport, Ports, Shipbuilding and Shiprepairing in the Black Sea Basin, etc.

33. The cooperation with the Sectoral Dialogue Partners is strengthened by the Memorandum of Understanding on the reinforcement of cooperation among the transport-related NGOs, namely BASPA, BINSAs, BRASS and BSEC-URTA, which signed on 24 November 2006.

## **VI. THE ROLE OF PARLIAMENTS OF THE BSEC MEMBER STATES IN THE ENHANCEMENT AND REGULATION OF INTERNATIONAL PASSENGER AND CARGO TRANSPORTATION IN THE BSEC REGION**

34. One of the key components of the successful implementation of multilateral transport projects is a parliamentary support. Adequate political backing on behalf of national and international parliamentary institutions is crucial for the joint and effective action.
35. The national parliaments have to make all possible efforts to contribute to the development of an intermodal transport network, involving ferries and block trains of combined transport as well as the creation of an efficient and extensive system of intermodal routes in the Black Sea region with the aim to promote the development of a high-quality transport infrastructure with a strong network of logistic centres and to develop an appropriate framework for the development of environmentally friendly and safe modes of transportation (rail, inland waterways transport, short sea shipping and intermodal freight transport).
36. The specialised committees in the parliaments may take lead to come up with the recommendations on the development of appropriate infrastructure and adequate supportive facilities that enable the use of environmentally friendly modes of transport, fulfilling a fundamental precondition for the establishment of an integrated intermodal transport network in the BSEC region.
37. The national parliaments play a key role in ratification of the relevant international instruments. The parliamentarians also have considerable responsibility to ensure that the development in the transport sphere goes hand in hand with due respect to the values shared by the overwhelming majority of the international community: human rights, fundamental freedoms and the rule of law.
38. Non-discriminatory access to infrastructure and terminals of intermodal transport should also be addressed. The separation of infrastructure management and operations will guarantee open and equitable access to the network to new and existing operators. An adequate level of transparency with respect to the infrastructure charges is also required in order to create an intermodal transport system which encourages co-operation and complementarity between the transport modes and which favours competition between transport operators will be created.
39. The Parliaments and the PABSEC has to take role in facilitation of the implementation of joint projects undertaken by the BSEC in the field of transport. The PABSEC has reaffirmed on many occasions its commitment to provide legislative support to the BSEC initiatives in developing transport infrastructure projects and programmes.

## **VII. SITUATION IN THE BSEC MEMBER STATES**

### **ARMENIA**

40. The National Centre for Regulation of the Legislation in cooperation with the Ministry of Transport and Communications in 2012-2013 studied the legislative framework governing the transport sector and made appropriate changes in the laws regulating the sphere of regular passenger traffic and transportation. As a result of these reforms procedures regulating transport activity was simplified and safety and quality of services

in the areas of cargo and passenger transportation was increased. The legislative package was adopted by the National Assembly of the Republic of Armenia.

41. In order to promote transportation in the Republic of Armenia and to renew the fleet of trucks, this sphere was liberalized and trucking license is not issuing. At present, international cargo transportations are carried out with 19 states on the basis of permits issued by the authorities of these countries (for entry and exit, transit, import in a third country or export from the third country) in accordance with the agreements signed between the Republic of Armenia and the governments of the this countries.

## **AZERBAIJAN**

42. International road transport between the Republic of Azerbaijan and the BSEC Member States proceeds in the framework of the bilateral agreements. For the international road transport with the BSEC Member States Azerbaijani government is providing “permissions” exchange. It should be noted that the BSEC MoU on Facilitation of Road Transport of Goods was signed by Azerbaijan with a note concerning the relation to the items, implying cooperation with Armenia. Azerbaijan also rejected to participate in the Pilot Project for applying BSEC permissions due to the following considerations:

- At present, freight trucking in the Republic of Azerbaijan are regulated by the Law “On State Tax” and the decision of the Cabinet of Ministers “On the application of “permit system” governing international road transport in its territory;
- The Republic of Azerbaijan exchanged permissions for incoming and outgoing bilateral, transit and transportation to, or from third countries (with the exception of Albania and Armenia);
- Current permission of Azerbaijan with the BSEC Member States fully satisfies the needs of road transport; at the same time, there is no need to obtain multilateral authorizations due to the membership of the BSEC member states in the International Transport Forum which provides for the regulation of the transportation between the countries by bilateral and multilateral agreements under the International Transport Forum (ITF);
- In future, in the case of ensuring new car park of the Azerbaijan it may be appropriate to discuss the new “Permitting” system in the BSEC framework.

43. The Azerbaijan government took the necessary steps to enhance and facilitate the transportation in international transport corridors, transport flow control, to a large extent the improvement procedure of passage of borders, the removal of artificial barriers for the movement and increase the reliability and safety of road transport. Decree signed by the President of the Azerbaijan Republic in November 2008 “On regulation of controlling goods and transport at the border of the Republic of Azerbaijan on the principle of “one window”” have the crucial sense for the implementation of the above mentioned objectives.

44. In 2010 the Government of the Republic of Azerbaijan and the IRU signed the MoU on transportation between the Asia, Europe and world-wide markets on the territory of the Republic of Azerbaijan, which accelerated the global transport corridors and increased the transit potential of the Republic. As a result, the number of foreign vehicles using the international transport corridors trough the territory of Azerbaijan, more than 150 thousand.

45. Azerbaijan is part of the BSEC MoU for the coordinated development of the BSRH. The memorandum was signed with a note concerning the relation to the items, implying cooperation with Armenia. This MoU is not yet ratified. The BSRH Steering

Committee suggested the following additional connecting routes for Azerbaijan: (1) Poti-Tbilisi (Georgia)-Baky (Azerbaijan); and (2) Rostov-on-Don-Volgograd-Astrakhan-Derbent (Russia) - Baky (Azerbaijan).

## **BULGARIA**

46. The main objectives are the development of the infrastructure along the Trans-European Transport Network (TEN-T) with an emphasis on the construction of major railway and road routes. In the field of rail transport there are important railway projects, designed for the period 2014-2020. In terms of road infrastructure there are plans to execute the projects for construction and modernization of road infrastructure during the same period.
47. Regulation № 1315/2013 of the European Parliament and of the Council on Union guidelines for the development of the TEN-T was published and entered into force on 20 December 2013 thus completing the process for review of the network, which continued for several years. The new TEN-T network is structured at two levels: *core network* - consisting of the most important international connections which should be developed by 2030 and *comprehensive*, which fully covers the territory of the Europe and provides access to all regions and is to be completed by 2050. The core TEN-T network on the Bulgarian territory that is expected to use most of the European financing in 2030 covers all roads along the old Pan-European transport corridors crossing the country. There are also plans for rehabilitation, reconstruction and construction of new road sections with a total length of 1520 km under project “Transit Roads V” using funding from government investment loans.
48. Initiatives of the development of an integrated maritime transport policy for the countries of the Black Sea region was proposed during the Bulgarian BSEC presidency in the 2010. This document was developed by BRASS and the countries are expected to continue the discussion on the text. It will become a step towards strengthening the competitiveness of maritime transport and supporting the sustainable development not only in shipping but also in other related sectors. The integrated maritime policy is designed to refer the development of short sea shipping and motorways of the sea, modernization of port infrastructure and improvement of the services provided by the ports, reducing carbon emissions from shipping and introduction of alternative fuels, introduction of intelligent transport systems and integration of maritime surveillance, enhanced cooperation between the competent authorities which should perform also functions contributing to the improvement of the cleanliness, the safety and the security of the Black Sea basin, enhancing the resistance of maritime activities to the impacts of climate change, improvement of skills and attractiveness of maritime professions. It is also important to ensure the participation of non-governmental organizations as well as the cooperation with the social partners.
49. The development of intermodal transport is one of the priorities of the national transport policy. The construction of modern infrastructure, consistent with the directions of the main land (road and railway) routes and the existing and projected freight flows, is planned in a number of strategic documents developed by the Ministry of Transport, Information Technology and Communications. At the same time the plans are elaborated to deploy a network of terminals situated at key locations and intersections generating large freight flows in order to provide good logistics connections. Decree № 66 of the Council of Ministers of 21 March 2014 to complement the Methodology for calculation of infrastructure charges levied by the railway infrastructure manager adopted by the Decree № 92 of the Council of Ministers of 2012.

50. The railway-ferry connections operating in the Black Sea region are managed according to the bilateral intergovernmental agreement on the operation of the railway ferry lines between Ukraine and Bulgaria as well as according to a trilateral intergovernmental agreement between Ukraine, Bulgaria and Georgia. The above mentioned agreements contain provisions concerning the freight, the operation and the use of wagons and other regulatory documents governing the technical, technological and legislative aspects of these connections. An Agreement on the organization of international railway-ferry connections between ports with railway links in the Republic of Bulgaria and in the Republic of Turkey was signed in 2012.

## **GEORGIA**

51. Georgia took following measures for facilitation of international road freight and passenger transportation: bureaucratic and artificial obstacles have been eliminated on border crossings; border crossings road infrastructure has been modernized; individual sections of the main highways have been reconstructed thus increasing capacity of these sections; supportive infrastructure facilities have been set up to provide better services to the drivers; quotas for international road transportation have increased with number of countries and new agreements on road transport are also under consideration; the Georgian carriers have actively been utilizing the BSEC Permissions (155 units in 2012, 250 units in 2013 and 250 units were used in 5 months in 2014).
52. Georgia actively participates in the working within the International Vehicle Weight Certificate pilot project. In order to improve the safety of international road transport Georgia joined the European Agreement concerning the Work of Crews of Vehicles Engaged in International Road Transport (AETR) and also implemented the internal procedures for the accession to the European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR).
53. Port sector development is the top priority for the Government of Georgia. To this end particular importance is attributed to the construction of the new Deep Sea Port in Anaklia, which has following advantages: strategic location; capacity to receive Panamax type of vessels; one stop shop solutions; simple and fast procedures; and all year round safe navigation. Construction of this port is strategically important for the region and shall result in significant increase in cargo turnover through the territory of Georgia.
54. Cooperation with the BSEC member-states in civil aviation is regulated by the bilateral air services agreements. Development of charter tourism on seasonal basis is subject to separate permissions. Taking into consideration the liberal policy of Georgia in the civil aviation field the growth in transportation with the BSEC member-states may be observed particularly with Ukraine, Turkey and Azerbaijan. In case of Turkey, flights are very popular for financial reasons and comfortable transfers to European destinations. Also several low-budget airlines started operating in Georgia. Transportation of cargo by civil aviation, are mainly operated from Azerbaijan to Georgia on a permanent basis. All other flights transporting cargo by air are operated separately.
55. Important growth tendency can be observed in passenger and cargo transportation. In 2013 the Georgian international airports transported 1.8 million passengers, which is 30 % - higher than in 2012 (1.4 million passengers). Amount of the transported cargo has also increased. In particular, in 2013 transported cargo amounted to 16.7 tons, which is 1.6 % higher compared to 2012 (16.5 thousand tons). Following the European regulations on the basis of the European Common Aviation Area Agreement since 1 October 2012 entered into force the Regulation Compensation and Assistance to Passengers in the Event of Denied Boarding and of Cancellation or Long Delay of Flights, and Repealing.

This regulates obligations of the carrier towards the passengers, including compensation, first aid, refusing to board, cancellations and delay.

56. Georgia attributes considerable importance to the development of multimodal transportation. Over the past few years Georgia has implemented several efficient measures to ensuring seamless intermodal transport flow throughout the country. To this end, Georgia has also ratified the TRACECA Agreement on development of Multimodal Transport.
57. Significant increase was observed in container shipping conducted by the sea ports in Georgia in 2013. By 2013, containers handled at the sea ports of Batumi and Poti amounted to 403,447 units (TEU), which is 13% higher compared to the same period in 2012 (357,654 TEU). The growth trend in container shipping conducted by the sea ports in Georgia has continued in 2014. Between January and April 2014 containers handled at the Batumi and Poti sea ports amounted to 150,324 units (TEU), which is 19% higher compared to the same period in 2013 (126,272 TEU).
58. The significant road infrastructural works have been carried out in the Georgian section of the Black Sea Ring Highway. The border crossing check points were equipped with the modern equipment, the “single window” system has been implemented, which significantly reduced the required time for vehicles on the border crossing points.

## **GREECE**

59. Greece is party to the BSEC MoU on Facilitation of Road Transport of Goods but Greece is not participating in the BSEC Transit Permit system. Vehicles registered in another BSEC Member State are not allowed to perform international (bilateral or third country) transportation. The position of Greece in the BSEC and in other international forums (UN/ECE, WTO) is that the matter of bilateral and transit transport of goods between Greece and the third countries are regulated only by the bilateral Road Transport Agreements.
60. The BSEC MoU on the Development of the Motorways of the Sea was initiated by the BSEC Greek presidency in 2005. The development and expansion of Motorways of the Seas (MoS) in the field of maritime passenger and cargo transportation in the BSEC Member States and other future relevant initiatives in the BSEC region should benefit from (a) the experience gained by its implementation at EU level; and (b) the EU efforts to promote the Trans-European Transport Network (TENT) and EU intention to create intermodal transport corridors across Europe and beyond it in order to take advantage of the potential to participate in broader transport networks, taking due account of the specific characteristics of BSEC Member States.
61. Greece has established a bilateral legal framework for the development of air transport with all the countries of the region and will keep encouraging regional contracts at airport, airline and administration level, in order to promote the creation of an efficient and competitive air transport system in the area.
62. Greece, as a country with a long maritime tradition, is in favour of EU Integrated Maritime Policy (IMP) as well as related actions at the EU and regional (sea basin) level, including Black sea region. The IMP seeks to provide a new cross border and cross sectoral approach of all maritime issues aiming at the best utilization of synergies, the optimal maritime governance in compliance with the international law, and the promotion of growth and employment covering a broad spectrum of policies ranging from transport, maritime environment, maritime energy source, fishery and generally utilization of living and non-living maritime resources, research, tourism and EU maritime security. The IMP

was the fourth pillar of EU Greek Presidency priorities, during which the Council of General Affairs adopted the IMP conclusions referring to the promotion of cooperation in the Black Sea region.

#### **MOLDOVA**

63. The Ministry of Transports and Road Infrastructure (MTRI) deems timely and appropriate to develop bilateral relations for ensuring the regular aviation services between the Republic of Moldova and the BSEC member states. To this end, it is important to stress that Moldova does not have any bilateral agreements on aviation services with Albania and Serbia.
64. The signing of these agreements would have made it possible to expand the activity of Moldovan air companies to all the BSEC Member States, to ensure improvement of the quality of the services and to promote competition on the international aviation market. To this end, the MTRI proposes the examination of the possibility to extend bilateral relations with Albania and Serbia in the sector of air transportation of passengers and goods.

#### **ROMANIA**

65. Romania's national transport system is at the average standards of conventional transport systems in Europe, thus, being able to meet the current needs of domestic and international customers. The network of public transport infrastructures ensures connections between all the localities to the national network and international systems of transport. Important progress was made within the last 3 decades with a view to increasing the capacity of existing infrastructure and systems and promoting sustainable development in terms of environment protection and the efficiency and safety of transport, so as to respond to the future transport requirements at national level.
66. In line with the national *Strategy for sustainable transport for 2007-2013 and 2020, 2030*, Romania, as the EU member, is implementing transport policies having as main objectives to raise to the European level national transportation system standards for a *de facto* integration in the European Community, and to set up an efficient and sustainable transport system leading to a balanced development of all modes of transport observing the economic, social and environmental requirements. Also, by 2020 the long-distance travel will be made available using itineraries and alternative services so as to avoid passing through major hubs of transportation system. Accessibility of public transport in areas with low population density and scattered distribution of population will have to observe minimal levels.
67. Romania, through the Ministry of Transport, is actively involved in the BSEC transport projects. The country's approach of the Black Sea motorways projects is taking into account the EU experience in this field. Romania supports the implementation of the two large scale projects the BSMoS and the BSMH and Romania is going to hold for the third time the coordination in the BSEC Working Group on Transport in 2015-2017. Romania made important contribution in finalizing the route of the Black Sea Ring Highway. As for the BSEC Permit Project, Romania supports since the very beginning the transformation of this project into a permanent mechanism. Romania also proposes to increase the number of the BSEC permits from 250 to 400 and to extend their use for the "third countries".
68. The Maritime Ports Administration of Constanta, which is a member of the Ad-Hoc Working Group on the Development of the Motorways of the Sea together with the Ministry of Transport are ready to host in Constanta the Motorways of the Sea Joint

Technical Secretariat (JTS MoS) in the period 2015-2017 and they closely cooperate with the Turkish colleagues who are currently coordinating this project.

69. The priority objective of measures to modernize and develop transport in Romania is the development and modernization of transport infrastructures, including the development of intermodal transport. A special attention is given to promotion of inter-modality in the Port of Constanta - the largest port at the Black Sea, which is a vital inter-modal hub. A good railway and road connectivity was ensured with the Port. The Romanian Ministry of Transport continues its support the development of multimodal transport in the framework of a national strategy aimed at establishing in the Port of Constanta an entry/exit gateway for goods traded between the European Union and the area of Middle East and Asia.

## **RUSSIA**

70. In the framework of the Russian BSEC Chairmanship in 2011 the Ministry of Transport of the Russian Federation came up with the proposal to adopt the Additional Memorandum of Understanding on the Development of Multimodal Ferry Lines in the BSEC Region with the aim to facilitate the implementation of ferry operations in the Black Sea through the elimination of bottlenecks in the existing systems of transport and economic relations. Adoption of this Memorandum will reduce number of cargo transfers and storage time in the ports, remove infrastructural constraints in the Black Sea region, lessen the load and length of trucking routes and border crossing, address the requirements of the work and rest of the drivers as stipulated in the European Agreement concerning the Work of Crews of Vehicles Engaged in International Road Transport (AETR) and promote tourism infrastructure. The Russian initiative was welcomed by the BSEC members and the necessary measures are taken to prepare the finalized text of the document.
71. The Russian Federation together with the other BSEC member states signed the MoU for the coordinated development of a Black Sea Ring Highway which was ratified following the adoption of the Federal Law No 362-FE. The Ministry of Transport of the Russian Federation participates in the work for defining the route of the BSRH. The following BSRH routes has been agreed upon for the territory of the Russian Federation: The main route: Route 1: the border with Ukraine-Taganrog-Rostov-on-Don-Pavlovskaya-Armavir - Mineral Waters-Pyatigorsk-Nalchik-Vladikavkaz-Nizhny Lars-the border with Georgia (total length - 875 km); Route 2: Pavlovskaya-Krasnodar-Dzhubga-Tuapse-Sochi-the Russian border (total length - 462 km); Connections: 1. Vladikavkaz-Grozny-Makhachkala - Derbent - the border with the Republic of Azerbaijan (total length - 472 km); 2. Dzhubga - Gelendzhik - Novorossiysk - Anapa - Port Kavkaz (total length - 268 km); 3. Krasnodar - Novorossiysk (total length - 144 km). The total length of the roads in the Russian section of the BSRH is 2 230 km. In addition, the Russian and Ukrainian sides voiced the possible version of the BSRH route using the Moscow-Simferopol highway (M-2 "Crimea") and the future transport passage through the Kerch Strait, which can be an important component of the BSRH.

## **TURKEY**

72. Turkey has bilateral road transport agreements with all the BSEC member states except Armenia. Joint Road Transport Committee Meetings are held regularly and the number of transit permits to be exchanged bilaterally is discussed.
73. Within the scope of the BSEC Transit Permit project permit system is implemented since 2010 in the 7 countries (Turkey, Albania, Armenia, Georgia, Moldova, Romania, and

- Serbia). At the same time there is a proposal to increase the number permits from 250 to 400 and to use them in the third country, which is not approved by the Ministry of Transport of Turkey. Although Turkey supports the BSEC permit system it is of the opinion that the number of permits has to remain as 250 units since it is early to use them in 3<sup>rd</sup> countries.
74. As for the MoU on Facilitation of Transfer of Road Transport of Goods and the Pilot Project for introduction of the International Vehicle Weight Certificate in the region, Turkey became a party of the Annex 8 to the International Convention on Harmonization of Frontier Controls of Goods following the adoption of the Law No 6297 of 25 April 2012.
  75. One of the non-physical obstacles in international road transport is problems with the delays in getting visas for drivers. This problem negatively affects the whole process of transport services integration in BSEC Region. To this end, in conformity with the Article 6 of the MoU on Facilitation of Transfer of Road Transport of Goods the Agreement on Facilitation of Visa Procedures for Truck Drivers Nationals of the BSEC Member States was drafted. However, only 4 states (Turkey, Albania, Armenia, Moldova) signed this Agreement. The signing of this Agreement by all the member states will greatly facilitate development of transport in BSEC region.
  76. The following BSRH routes are decided in Turkey: Route E-80 starting from Kapıkule Border of Bulgaria and Route E-90 starting from Ipsala Border of Greece, crossing Istanbul towards Merzifon, to Samsun crossing Merzifon through E-95 and from here to Trabzon and Hopa through E-70, then connects to Sarp-Batumi Turkish - Georgia Border. Other part of BSRH crossing Turkey extends from Hopa, Artvin and Ardahan respectively to Georgia Border at Türkgözü-Vale. The main BSRH axis which crosses our country with the length of 1,985 Km is completed through the “Gerede-Ankara-Aksaray-Pozantı-Mersin Route” making a link to Mediterranean and “İzmit-Bursa-Balıkesir-Manisa-İzmir-Çeşme Route” making a link to Aegean Sea. The 433 Km long Gebze – Orhangazi – Bursa – Balıkesir - Manisa – İzmir (including İzmit Gulf Pass) Highway Project to connect İstanbul to İzmir through İzmit Gulf as part of link to Aegean Sea, was tendered with the Build-Operate-Transfer model and corresponding construction works started in October 2010.
  77. Turkey is well positioned at the crossroads of the transport corridors between Europe, Asia, Africa, Caucasia and Russia. This geographical advantage enables Turkey to develop combined transport and become a regional transport logistics centre for the shipments between 3 continents and to maintain strategic importance of the country in the regional transport network. The Ministry of Transport, Maritime Affairs and Communications of the Republic of Turkey places utmost importance to the enhancement of combined transport in order to develop sustainable transportation chain and makes direct or indirect infrastructural investments to this end.
  78. The Agreement on International Combined Freight Transportation between the Government of Turkish Republic and the Government of Azerbaijan Republic was signed on 13 November 2013 and was submitted to Grand National Assembly of Turkey for ratification. At the same time, work is carried on to conclude bilateral freight transportation agreements with the countries in the region.
  79. Ministry of Transport, Maritime Affairs and Communications of the Republic of Turkey makes important infrastructural investments to contribute to the development of the combined transport including the Bosphorus Strait Railway Tunnel Project

(MARMARAY), Kars-Baku-Tbilisi railway project, Port Projects in Mersin, Filyos and Çandarlı.

80. Regular maritime routes between Turkish ports and the Black Sea ports include Ro-Ro lines between the following ports: Zonguldak-Skadovsk, Zonguldak-Yevpatoria, Zonguldak-Odessa, Samsun-Novorossiysk, Samsun-Gelendzhik, Samsun-Tuapse, Trabzon-Tuapse, Trabzon-Gelendzhik, Pendik-Constanta, Haydarpaşa-Ilyichevsk; and Train Ferry lines between the ports of Samsun-Kavkaz and Derince-Ilyichevsk.

## **VIII. CONCLUSIONS**

81. Transport is vital to the well-functioning of economic activities and a key to ensuring social well-being and cohesion of populations. Transport ensures everyday mobility of people and is crucial to the production and distribution of goods. Adequate transport infrastructure is a fundamental precondition for transport systems. In the endeavour to facilitate transport it is important that parliaments and governments address the existing physical barriers or hindrances, such as insufficient or inadequate transport infrastructures, bottlenecks and missing links, as well as lack of funds to remove them. Solving these problems is not an easy task. It requires action on the part of the governments concerned as well as the actions that are coordinated with other governments at international level.
82. Transportation plays extremely important role in the BSEC economy. The Black Sea region has experienced development of road, rail, marine and air transport systems. Proximity to well-connected ports is an asset to an economy and good connectivity in road networks allows people and goods to move efficiently from one place to another, thus, encouraging regional and national economic growth. These transportation networks are critical in exporting goods from the region to other markets, importing goods destined for the region as well as the transit transportation.
83. The BSEC has made a huge progress in promoting major regional transport projects. The BSEC is successful in further implementation of the Memoranda on the Coordinated Development of the Black Sea Ring Highway, Development of the Motorways of the Sea and Facilitation of Road Transport of Goods and strengthening transport institutional capacity.
84. The efforts of the BSEC countries in developing the international passenger and cargo transportation system has to include harmonization of the legal, fiscal, technical and institutional frameworks. In this respect, cooperation with the international financial institutions is a necessity and the application of international experience in this direction is a useful practice.
85. The BSEC activities should also imply the achievement of the goals and objectives of the BSEC Economic Agenda: towards an Enhanced BSEC Partnership. This work also has to include further coordination of all BSEC and the BSEC related bodies, as well as cooperation with other international transport organization, Sectoral Dialogue Partners and business communities.
86. Parliaments and the PABSEC, in turn, have to ensure maximum use of the available legal mechanisms to promote programs that support infrastructure investments in major highways, urban transportation projects and key border crossings with the aim to develop modern and efficient transportation and transport-related infrastructure as essential to building a strong economy and improving the quality of life for its citizens.