RECOMMENDATION 98/2007*

“The priorities of cooperation among the BSEC member states in the field of energy: oil and gas sector”

1. The Parliamentary Assembly of the Black Sea Economic Cooperation reaffirms that cooperation in the field of energy in the framework of the BSEC is a priority field taking into consideration the increasing role of the Black Sea region in energy supply of Europe, as well as its importance as a transit route for transportation of energy resources.

2. The Assembly welcomes the latest activities of the BSEC in the energy field and fully supports initiatives for the new directions of energy cooperation, including the proposal of the Republic of Turkey concerning establishment of the Ad Hoc Working Group for cooperation between the BSEC Member States in exploration and exploitation of hydrocarbon resources of the Black Sea.

3. The PABSEC supports the initiative on establishing a common data base of national energy strategies in the BSEC member states forwarded by the Russian Federation during its BSEC Chairmanship.

4. The Assembly recalls to the BSEC Economic Agenda, Baku Declaration on Energy Cooperation in the BSEC region (19 September 2003), Alexandroupolis Declaration on Energy Cooperation in the BSEC region (4 March 2005), Sochi Statement of the Ministers of Energy of the BSEC Member States (27 September 2006), Summit Declaration on the occasion of the Fifteenth Anniversary of the BSEC,

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Assembly debate on 20 November 2007 (see Doc.: GA30/EC29/REP/07, Report of the Economic, Commercial Technological and Environmental Affairs Committee “The priorities of cooperation between BSEC member states in the field of energy: oil and gas sector” discussed in Kyiv, on 19 September 2007)

Text adopted by the Assembly in Tbilisi on 20 November 2007.
its Recommendation 68/2003 on “Cooperation in the field of energy” and Recommendation 72/2003 on “Shaping European Economic Space”.

5. The Assembly welcomes the involvement of the Black Sea Trade and Development Bank (BSTDB) in the process of funding energy infrastructure projects of the region.

6. The Assembly highly appreciates the development of energy cooperation with the European Union reflected in the documents – BSEC-EU interaction: BSEC approach (17 January 2007) and Black Sea Synergy – a New Regional Cooperation Initiative (11 April 2007). At the same time Assembly gives particular emphasis to EU-Russia and EU-Azerbaijan energy dialogues.

7. The Assembly notes that energy cooperation of the member states within other regional initiatives and organizations will facilitate the process of the realization of energy projects in the region.

8. The Assembly reiterates its commitment for common actions in order to ensure the security of the transport corridors for oil and gas resources, as well as for legal support to all energy projects aimed at the diversification of energy supplies.

9. The members of the Assembly emphasize their adherence to the provisions stipulated in the G8 St. Petersburg Summit Final Declaration, such as the stability of global energy markets, improvement of the investment climate in the energy sector, enhancement of the energy efficiency and energy saving and diversification of energy mix.

10. **Therefore, the Assembly recommends** the Parliaments and the Governments of the BSEC Member States:

**A. INTERNATIONAL AND REGIONAL COOPERATION**

i) *to facilitate* the process of implementing of oil and gas projects and if necessary *to provide* them with political support at the highest level, including comprehensive studies on the economic expediency of these projects;

ii) *to take measures* for the complete realization of initiatives forwarded by the Russian Federation and Republic of Turkey on creating a common data base of national energy strategies in the BSEC member states and assisting the activity of the Ad Hoc Working Group for cooperation between the BSEC Member States in exploration and exploitation of hydrocarbon resources of the Black Sea;

iii) *to initiate* a process of forming a common strategy at the natural gas markets with a view to a gradual transition to the new principles of gas pricing;
iv) to carry out activities aiming at the full integration of the energy markets that would contribute to price stability and the effective and consistent realization of the projects;

v) to ensure the security of pipeline projects, as well as intensify cooperation on the application of modern technologies for creating a reliable energy infrastructure;

vi) to encourage BSEC Project Development Fund (PDF) with a view to using its funds for feasibility studies in the energy field and to stimulate involvement of the Black Sea Trade and Development Bank (BSTDB) in financing oil and gas projects in the region;

vii) to enhance cooperation with other international organizations in the energy field in order to share experience on elaboration of the new mechanisms of the joint energy policy in the region and effective implementation of the international agreements;

B. NATIONAL ENERGY POLICIES OF THE MEMBER STATES

viii) to improve the legal framework in the energy sector with a view to creating a favorable investment climate and relevant conditions for gradual privatization in certain frames of the fuel and energy complex;

ix) to speed up the process of institutional reforms in the energy sector aimed at the consistent liberalization of the national energy markets and modernization of the industrial infrastructure;

x) to develop competitiveness of the national energy markets by stimulating various stakeholders to actively participate in energy supply;

xi) to set up appropriate and transparent tariffs for energy consumers at the national markets regulating the tax system in the energy sector in accordance with international standards;

xii) to apply international standards in such aspects of the internal energy market, as licensing entities dealing with energy supply and preserving the balance of interests between the consumers and these licensees;

xiii) to observe strictly ecological norms in the energy sector of the member states with a view to preventing negative consequences for the environment as a result of the exploitation and transportation of the energy resources.

11. The Parliamentary Assembly invites the BSEC Council of Ministers of Foreign Affairs to consider this Recommendation.