

MEMORANDUM OF UNDERSTANDING
for the coordinated development of the Black Sea Ring Highway

The Governments of the member-states of the Black Sea Economic Cooperation Organization (BSEC), hereinafter referred to as the Parties,

desiring to reinforce the cooperation of the BSEC member-states promoting international road transport of goods and passengers, considered as of great importance for their economic development,

believing that a coordinated plan of road construction and rehabilitation is vital to build and extend ties among the E. U., Black Sea and Asian countries, called upon to satisfy the requirements for international traffic in the future,

emphasizing that the solution of common problems of coordinated development of the road infrastructure requires new and innovative approaches within the framework of the regional cooperation,

considering that the development of the Black Sea Ring Highway, hereinafter referred to as BSRH, will also promote co-operation in the development of multimodal transport infrastructure,

desiring to have adequate road interconnections with the Trans-European, the Pan-European and the Euro-Asian Transport Networks,

taking into account the Joint Declaration of Transport Ministers of the BSEC Member-States on the connection of the Black Sea Transport Network with the Trans-European Transport Network within the framework of the Euro-Asian Transport Links signed on January 28, 2005 in Thessaloniki,

wishing that the BSRH be constructed in coordination with the E.U., with the aim to be included to the Network for Extension of the major Trans-European Transport axis to the neighboring countries and regions,

bearing in mind that the economic cooperation must meet the real needs and interests of the Parties,

being aware that the construction of the BSRH constitutes a major challenge for the BSEC Organization, whose bodies are called to participate actively and interact for its success,

conscious of the fact that infrastructure development is a long term process,

agree on the following Memorandum of Understanding, as a step towards the common objective of the construction of the Black Sea Ring Highway:

Article 1. Purposes of MoU

- 1) The strengthening of the cooperation among the Parties to the development of the Black Sea Ring Highway (BSRH), an international road round the Black Sea, in accordance with the agreements entered into force and the related regulations and standards. Such cooperation shall be primarily focused on the elaboration of policies, including general principles and actions, such as organizational, legislative and economic ones, as well as means of their realization and follow-up;
- 2) The development of the BSRH shall be a major step towards the creation of the Black Sea Ring Corridor, a multimodal transport network and should include maintenance, reconstruction, rehabilitation, upgrading and new construction of main and ancillary road infrastructure;
- 3) The provision of assistance in the BSRH design, construction, technical maintenance, operation and management in the territory of the Parties, within the framework of the comprehensive European transport infrastructure, thus allowing the construction of missing links in the existing highway network of the Black Sea region;
- 4) The definition of prerequisites and conditions for the most efficient use of funds and know-how provided by public and private sources;
- 5) The further dissemination in the region of knowledge, experience, know-how accumulated by now in EU member-states.

Article 2. Main Features of BSRH

- 1) The BSRH is a high capacity highway. The BSRH Steering Committee, established by the Article 3 of the present Memorandum of Understanding, may examine in detail the exact main route of the Highway, its ancillary links, as well as its technical standards, on the basis of recommendations and norms approved by international organizations and the EU, including the relevant European Agreement on Main International Traffic Arteries (AGR).
- 2) The BSRH shall provide for services of an adequate quality for up-to-date traffic ensuring safety, speed and comfort and, thus, it shall facilitate economic and social development to the benefit of the entire European continent. In this context, the Parties, taking into consideration that parts of the BSRH are also parts of the Trans-European Transport Network, agree to promote the BSRH to the competent international authorities, in the future, be included in the Network for Extension of the major Trans-European Transport axis to the neighboring countries and regions.

- 3) The BSRH length is approximately 7000 km.
The main route and its connections may include the following cities:
Istanbul (Turkey), Samsun (Turkey), Trabzon (Turkey), Batumi (Georgia), Poti (Georgia), Yerevan (Armenia), Baku (Azerbaijan), Novorossiysk (Russia), Rostov-on-Don (Russia), Taganrog (Russia), Mariupol (Ukraine), Melitopol (Ukraine), Odessa (Ukraine), Chisinau (Moldova), Bucharest (Romania), Constantza (Romania), Haskovo (Bulgaria), Sofia (Bulgaria), Nish (Serbia), Belgrade (Serbia), Tirana (Albania), Edirne (Turkey), Komotini (Greece), Alexandroupolis (Greece), Istanbul (Turkey).
- 4) BSRH Steering Committee will elaborate the main route and its connections at a later stage.

Article 3. Organizational Measures to Realize the BSRH

- 1) To execute the BSRH Project, the Parties agree to establish the BSRH Steering Committee holding its sessions at least once per year, immediately before or after the session of the BSEC Working Group on Transport. The BSRH Steering Committee formulates the BSRH development policy and decides on all relevant measures with for its realization.
- 2) Each Party and the BSEC PERMIS shall be represented on the BSRH Steering Committee and shall appoint one representative together with her/his alternate. Such representatives may coincide with those participating in the BSEC Working Group on Transport. The Parties agree to invite the BSTDB to fully participate to the BSRH Steering Committee. All Parties shall be notified of such appointments through the BSEC PERMIS. The BSRH Steering Committee shall take its decisions by consensus, respecting its rules of procedure, which it shall approve. English is the working language of the BSRH Steering Committee. The Parties shall preside in the Steering Committee in turn with a bi-annual rotation in the order indicated in Annex I which is the integral part of the MoU. The Presidency shall be exercised by each BSEC member-state according to the established timetable. The Vice-Presidency shall be exercised by the BSEC member-state which will assume the next term of Presidency.
- 3) Representatives of BSEC observers, BSEC-related bodies, BSEC sectoral dialogue partners, other international organizations and institutions concerned may be invited to the sessions of the BSRH Steering Committee, whenever appropriate.
- 4) The Parties agree also to establish a Joint Permanent Technical Secretariat, whose task is to support the works of the BSRH Steering Committee and to proceed to any necessary actions, on the basis of instructions set by the BSRH Steering Committee, for the implementation of the highway. More specifically, the Joint Permanent Technical Secretariat shall submit proposals, evaluate studies and cooperate with the BSRH Steering Committee to the identification of financial resources.

- 5) In each Party's country a National Coordinator for the BSRH is appointed by the Government of the respective country. This Coordinator is competent for the coordination of any activity carried out in the country concerning the BSRH. This Coordinator may coincide with the above mentioned representative or her/his alternate in the BSRH Steering Committee.
- 6) Financing of administrative, organizational and technical measures shall be effected out of the BSRH Project Special Purpose Cooperation Fund formed under a separate international agreement between the Parties and setting out the objectives, tasks, means and procedure of the Fund management.

Article 4. Financing of BSRH

The Joint Permanent Technical Secretariat shall be established in Thessaloniki and the Hellenic Republic shall provide its overall running costs. Financing of the BSRH construction and reconstruction can be effected out of national funds and budgets as well as various capitals originating from the private sector. Financing may also be provided through EU funds and loans by the European Investment Bank, the European Bank of Reconstruction and Development, the World Bank and other banks and Funds.

Article 5. Procedure for Amending of MoU

- 1) Amendments may be introduced into the Memorandum of Understanding in accordance with any procedure set forth herein:
 - a) At the request of any Party, its amendment proposal is considered by the BSEC Transport Working Group.
 - b) In the event that the amendment is approved by a majority of 2/3 of those attending and participating in the poll and if such majority includes that of 2/3 of the Parties represented and participating in the poll, the Secretary General of BSEC PERMIS shall deliver the amendments to all Parties for their approval.
 - c) Should the majority of 2/3 of the Parties approve the amendment, the BSEC PERMIS shall notify to all Parties thereof and the amendment shall enter into force on expiry of twelve months from the date of such notice. The amendment shall enter into force in respect of all Parties.
- 2) At the request of at least 1/3 of the Parties the Secretary General of BSEC PERMIS shall call a conference, to which BSEC member-states shall be invited. The procedure set out in subparas.(a) and (b) of para. (1) hereof shall be applied in regard to any amendment submitted for consideration by such conference.

Article 6. Communication of Administration's Address

Each Party, at the moment of signature, ratification, adoption or approval of the present MoU or accessing thereto shall inform the Secretary General of BSEC of its administration's name and address at which amendment proposals shall be delivered in accordance with Article 5 of the present MoU.

Article 7. Entry of MoU into Force

This Memorandum of Understanding will become effective on the first day of the month following the date when eight parties sign it and notify BSEC PERMIS that they completed the legal procedures required for this purpose.

Article 8. Duration

The present MoU shall remain in effect for an initial term of ten years and shall thereafter be automatically extended for consecutive five-year periods, unless terminated upon notice by the 2/3 of the Parties. Their objections must be expressed not less than one year prior to the expiration of the ten-year term.

Article 9. Denunciation and Termination of MoU

- 1) The original of the present MoU drawn up in one copy in English shall be kept by the Permanent International Secretariat (PERMIS) that will hand over an attested copy to each Party and carry out all obligations that result from its role as a depository.
- 2) Governments of BSEC member-states, which have not signed the present MoU may be parties thereto only after its entry into force.
- 3) Governments which have signed the present MoU after its entry into force, may be parties thereto on the thirtieth day after passing to the depository of a notice of the completion of all national procedures applied prior to entry into force of international agreements.
- 4) Each Party may denounce the present MoU by submitting a written notice to the Secretary General of BSEC.
- 5) The present MoU shall become null and void if the number of Parties having signed it is less than four within any period of consecutive twelve months.

Signed in Belgrade, on the 19th day of the month of April of the year 2007 in a single copy in the English language,

For the Government of the Republic of Albania

For the Government of the Republic of Armenia

For the Government of the Republic of Azerbaijan

For the Government of the Republic of Bulgaria

For the Government of Georgia

For the Government of the Hellenic Republic

For the Government of the Republic of Moldova

For the Government of Romania

For the Government of the Russian Federation

For the Government of the Republic of Serbia

For the Government of the Republic of Turkey

For the Government of Ukraine

ANNEX I

Proposed rotation scheme in the Presidency/Vice-presidency of the Steering Committee

President	Vice-President
Russian Federation	Republic of Bulgaria
Republic of Bulgaria	Ukraine
Ukraine	Georgia
Georgia	Republic of Turkey
Republic of Turkey	Republic of Azerbaidjan
Republic of Azerbaidjan	Hellenic Republic
Hellenic Republic	Republic of Albania
Republic of Albania	Republic of Moldova
Republic of Moldova	Republic of Armenia
Republic of Armenia	Republic of Serbia
Republic of Serbia	Romania
Romania	Russian Federation