



PARLIAMENTARY ASSEMBLY OF THE BLACK SEA ECONOMIC COOPERATION  
**PABSEC**

INTERNATIONAL SECRETARIAT

Doc. GA55/LC55/REP/20

FIFTIETH-FIFTH PLENARY SESSION OF THE PABSEC GENERAL ASSEMBLY

**LEGAL AND POLITICAL AFFAIRS COMMITTEE**

**REPORT\***

**“Legislative Framework for the realization of the Projects connecting Europe and Asia (One Belt - One Road)”**

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\* *The text was considered at the Fifty-Fifth Meeting of the Legal and Political Affairs Committee, organized online on 9 July 2020 and adopted at the Fifty-Fifth General Assembly on 6 August 2020 at online meeting*

## **I. INTRODUCTION**

1. The BSEC Region is an important crossroad as well as a strategic intersection of major routes for goods, such as the Silk Road, TRACECA (Transport Corridor-Caucasus-Asia) Project, Trans European Network Transport (TEN-T) and Euro-Asian Transport Links (EATL). The role of the Region in the world politics has significantly increased in the recent years, with the development of the energy corridors, passing through Europe and Asia (Baku-Tbilisi-Ceyhan (B-T-C), South Gas Corridor (SGC), Trans Anatolian Natural Gas Pipeline (TANAP) Project, Turkish Stream and others. In addition, the launch of the Baku-Tbilisi-Kars (BTK) Railway Project in 2017, provided a new perspective on the establishment of uninterrupted trade between China and Europe and it reduced the time for transportation of goods, from 30 days to two weeks.
2. As a Region with a growing economic potential, it has become a new growth point in the frame of the China - Europe - Asia relations. In addition, the BSEC Member States, being strategically located on the Ancient Silk Road, pay a special attention to the development of sustainable infrastructural transport networks and accept positively the One Belt – One Road (OBOR) Initiative, as an additional opportunity to improve the connectivity between Europe and Asia and to attract direct investments for their projects.
3. The policy coordination is an important precondition for joint actions and the successful accomplishment of the OBOR projects. The clear identification of the legislative discrepancies between the participating countries and the prospective harmonization of the legal frameworks in the field of transport and trade, ensure that the development of the transport sector contributes to the regional and global objectives. In this regard, the practical progress in this direction requires sound transport policies, considered as the ability of each OBOR participating country, to coordinate its national strategy with the others, especially neighbouring countries. Through the establishment of a shared vision on regional cooperation, by initiating and implementing concrete economically viable and mutually beneficial projects, the BSEC Member States will boost the transport connectivity in the Black Sea Region.
4. The BSEC Economic Agenda: Towards an Enhanced BSEC Partnership (in particular its Goal 3: "Establishment of an Efficient Transport Network"), calls on the promotion of sustainable transport systems which meet the economic, social and environmental needs of the people of the Black Sea Region, in order to reduce Regional disparities and to link the BSEC Region's transport infrastructure to the European and Asian Networks.
5. Taking into account the global significance of the transport development and particularly, the OBOR Initiative, the Legal and Political Affairs Committee, at its 54th Meeting in Sochi, on 25-26 September 2019, decided to discuss the "Legislative Framework for the realization of the Projects connecting Europe and Asia (One Belt - One Road)".
6. The present report reflects the information received from the national delegations of Bulgaria, Greece, Moldova, Romania, Russia, Serbia, Turkey and Ukraine. It also benefits from the valuable contribution of the BSEC PERMIS as well as from the relevant Internet resources.

## **II. LEGISLATIVE FRAMEWORK FOR THE REALIZATION OF THE PROJECTS CONNECTING EUROPE AND ASIA (ONE BELT - ONE ROAD)**

7. Infrastructure connectivity is a broad term, which encompasses the social and economic (transport, energy and telecommunications) infrastructure. By broadening the scope of cooperation, connectivity is a driver of growth, aiming to reduce trading costs, accelerate economic growth, create new jobs and strengthen the trade relations among different parts of the world.

8. Today, the Black Sea Region is one of those strategic intersections through which Chinese products can quickly reach the European consumers. Europe is largely attracted to Beijing by the fact that there is the European Union, with which China has the second largest (after the U.S.) trade turnover - more than 540 billion USD per year (2018). In addition, the trade turnover between China and Russia has exceeded more than 108 billion USD (2018), thanks to implementation of a number of projects, primarily in the energy field.
9. The OBOR Initiative was announced by the Chinese president Xi Jinping in 2013, jointly binding the Silk Road Economic Belt and the 21st Century Maritime Silk Road. In the past several years, China has encouraged more than 100 countries and international organizations to participate in the progressive development of the OBOR, on a global scale. The Chinese government has defined the coordination of the policies and the legislative base, as a first step forward. In this view, the practical progress in this direction includes identifying priority areas and forms of participation of each country in the Chinese Initiative, in order the already concluded bilateral agreements with the OBOR countries to be put into practice.
10. From the overall view of jointly building the OBOR Initiative, the Chinese government proposes that on land, the Initiative focuses on building six economic corridors, by taking advantage of the international transport routes, relying on core cities along the Belt and Road and using key economic industrial parks as cooperation platforms. At sea, the Initiative aims to jointly build smooth, efficient and secure transport routes, connecting major seaports along the Belt and Road.
11. However, the emergence of the new coronavirus in Wuhan (China, in December 2019) and the recent refugee crisis in some countries of the BSEC Region, will slow down the smooth development of infrastructure projects and initiatives. The epidemic spread of the coronavirus constitutes a huge threat to the global economy in general and particularly, to the development of infrastructure projects. Since China is the world's second-largest economy, the economic fallout from coronavirus threatens the further elaboration of the OBOR Initiative.
12. According to the Bloomberg Economics, the economic fallout could include recessions in the U.S., Europe and Japan, the slowest growth on record in China and a total of 2.7 trillion USD loss for the global economy. The travel restrictions to prevent the spread of the disease might block key elements of the OBOR. Since many OBOR projects tend to source equipment and machinery from manufacturers based in China, the disruptions in industrial production and supply chain, cause further delays. According to company executives and officials, the Chinese companies cannot get to overseas projects and factories out of China are disconnected from the Chinese imports, which are necessary for the smooth development of the transport projects. China's exports dropped by 17.2 per cent in the first two months of 2020, following a reduced business activity across the world's second-largest economy. The decrease in the imports amounted to 4 per cent, for the same period.
13. Before the emergence of the coronavirus, the Asian Infrastructure Investment Bank (AIIB), the BRICS Bank (New Investment Bank) and the Silk Road Fund were expected to provide the material basis for the infrastructure construction of the countries along the Belt and Road. The total amount of the infrastructure investments currently planned as part of the OBOR Initiative, was 890 billion USD, covering 47.100 km. of roads, 36.800 km. of railways, 14 logistic centres and comprehensive power transmission lines. The budget of the Silk Road Fund, which was established for the realization of the Initiative, was 40 billion USD. This figure was increased to approximately 54.5 billion USD, with the additional resource allocation of approximately 14.5 billion USD.

14. The budget of the AIIB, which was established with the aim of providing additional resources to the Initiative, has been determined as 100 billion USD. The same amount has been envisaged in the budget of the BRICS Bank. Among the BSEC Member States, the following countries are members of the AIIB: Azerbaijan, Georgia, Greece, Romania, Russia, Serbia and Turkey. Armenia is considered as a prospective member.
15. The six major OBOR corridors for international economic cooperation, namely the New Eurasian Land Bridge and the China-Mongolia-Russia, China-Central Asia-West Asia, China-Indochina Peninsula, China-Pakistan and Bangladesh-China-India-Myanmar, aim to connect the Asian economic circle with the European economic one. Their prospective accomplishment will strengthen the connectivity among the participating countries and will build an efficient and smooth Eurasian market.
16. The New Eurasia Land Bridge Economic Corridor is one of the most ambitious OBOR projects. It consists of developing rail transportation between China and Europe, through Kazakhstan, Russia and Belarus. The objective of this corridor is to increase the frequency of the rail transportation between China and Europe, to accelerate trade along this route and increase its competitiveness in the maritime transportation.
17. China, Mongolia and Russia have made positive efforts to build a cross-border infrastructure connectivity network, consisting mainly of railways and roads, in the framework of China-Mongolia-Russia Economic Corridor. This corridor aims to enhance the trade turnover between China and Mongolia, by modernizing transport, telecommunication and energy networks and transforming Mongolia into a hub between China and Russia. In 2018, the three countries signed the "Memorandum of Understanding on Establishing a Joint Mechanism for Advancing the China-Mongolia-Russia Economic Corridor", making a further progress in improving the working mechanism of the tripartite cooperation.
18. The cooperation in energy, infrastructure connectivity and industrial capacity has advanced solidly, in the framework of China-Central Asia-West Asia Economic Corridor. This is one of the main axes of the new Silk Road, which connects the Chinese province of Xinjiang to the Mediterranean Sea, through Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, Turkmenistan, Iran and Turkey. This Initiative is completed by bilateral cooperation agreements between China and Central Asia states.
19. Concerning the railway transportation, major progress has been made in building inter-regional and intercontinental railway networks focusing on such cooperation projects as Hungary-Serbia Railway. By the end of 2018, China-Europe rail service had connected 108 cities in 16 countries of Asia and Europe. A total of 13,000 trains carried more than 1.1 million TEUs (Twenty-Foot Equivalent Units). Among the trains starting from China, 94 % were fully loaded and among those arriving in China, 71 % were fully loaded.
20. In the OBOR framework, all the participating countries and international organizations, based on the principle of seeking common ground while reserving differences, have exchanged views on their prospective economic development. By the end of March 2019, the Chinese government had signed 173 cooperation agreements with 125 countries and 29 international organizations. OBOR has expanded from Asia and Europe to include more new participants in Africa, Latin America and the South Pacific. The Initiative and its core concepts have been laid down into documents of the United Nations, of the G20 and other international organizations.
21. The UNECE Ministerial Resolution on Embracing the New era for Sustainable Inland Transport and Mobility (adopted on 21 February 2017), calls on for a coordinated work towards improved Regional and inter-continental connectivity and declares to support the intercontinental

development Initiatives, such as the Silk Road Economic Belt and the 21st Century Maritime Silk Road Initiative, by strengthening the process of transport facilitation.

22. In November 2016, the 193 UN Member States adopted by consensus, a Resolution, welcoming the OBOR and urging the international community to ensure a secure environment for this Initiative. In March 2017, the UN Security Council unanimously adopted Resolution 2344, calling on the international community to strengthen the Regional economic cooperation through the Belt and Road Initiative, while for the first time enshrining the concept of "a community of shared future for mankind".
23. China has issued the "Initiative on Promoting Unimpeded Trade Cooperation along the Belt and Road", to which 83 countries and international organizations have subscribed. China's average tariffs have dropped from 15.3 per cent to 7.5 per cent, when it joined the World Trade Organization. China has signed or upgraded free trade agreements with the Association of South East Asian Nations (ASEAN) and Georgia. It has also signed an economic and trade cooperation agreement with the Eurasian Economic Union.
24. In 2015, the European Commission and China's National Development and Reform Commission (NDRC) agreed on the EU political interconnection with China, by means of a MoU, signed for the creation of a 'EU-China Connectivity Platform', focusing on achieving a high connectivity of the EU Member States with China, aiming to foster information exchange, develop partnerships and promote projects, based on a transparent environment. The recent EU Strategy on Connecting Europe and Asia includes concrete proposals and initiatives to improve the connectivity through an interoperable transport, energy and digital networks. With regard to transport connectivity, a special attention is given to the efficient connection of the Trans European Network Transport (TEN-T) with the networks in Asia and the further development of North-South and East-West rail connections. With regard to the Black Sea Region, particular references are made to the extension of the TEN-T network to Armenia, Azerbaijan, Georgia, Moldova and Ukraine.
25. The geographic location of the wider Black Sea Region is its natural asset. The fact that the Region is straddling the two continents, Asia and Europe, means that none of the Euro-Asian corridors can avoid traversing the BSEC territory. In this context, the China's ambitious OBOR Initiative presents new opportunities for the BSEC Member States, since all the major routes that are to be promoted by it, will pass through the BSEC Region. With the East-West ties growing in importance, due not only to the dynamic economic expansion of China, but also to the opening of the economies of many countries, the BSEC's transit potential has a great opportunity to receive an additional boost. In addition, the advantages and the challenges driven by the Chinese OBOR Initiative, should be carefully examined. For the BSEC Member States to reap the greater possible advantage and benefit from this Initiative, they should approach it in a collective and coordinated way.
26. While the Black Sea Region is a strategic intersection of major routes for goods, such as the TRACECA Project, the TEN-T, the EATL and an energy corridor, including the Baku-Tbilisi-Ceyhan (B-T-C) pipeline, the South Gas Corridor (SGC), the Turkish Stream, the cooperation in the field of transport is important for achieving the overall economic progress in the Region, in the context of the Sustainable Development Goals (SDGs). In addition, the OBOR Initiative is an additional prospect to enhance the connectivity projects in the BSEC Region.
27. Applying the principle of mutual respect, China engages in a solid cooperation with other participating countries, fully using the existing cooperation mechanisms, such as: G20, APEC, Shanghai Cooperation Organization, Conference on Interaction and Confidence-Building

Measures in Asia, China-CEE "17+1 Cooperation Platform, World Economic Forum, Eurasian Economic Union. The Chinese government cooperates with the countries in the Black Sea Region, mostly on a bilateral basis rather than collectively. The governmental platform for cooperation between China and 17 countries of Central and East Europe (the so-called CEEC 17+1) involves five countries of the BSEC Region (Albania, Bulgaria, Greece, Romania and Serbia). However, the most actual projects between China and the Black Sea countries are the outcome of bilateral interaction. The 17+1 China-CEE Cooperation platform aims to promote business and investment relations between China and 17 countries of CEE.

28. During the Seventh Summit of the 17+1 China-CEE Cooperation platform (Sofia, 2018), a final document, namely Sofia Guidelines was adopted, which establishes a Global Partnership Centre (GPC) in Bulgaria, for exchanging experience and consulting business between the Member States and China. The GPC is a think-tank cooperation mechanism designed to support and promote the development of 17+1 CEEC cooperation, in line with the norms and regulations of the CEE countries and China. The Centre aims to provide a conceptual support for this cooperation, through the institutional interaction between the respective think-tank institutions and organizations, working towards deepening the communication and mutual understanding between the CEE countries and China.
29. It should be noted that a similar regional platform involving the Black Sea Region and China does not exist. Yet, the Organization of the Black Sea Economic Cooperation (BSEC), could potentially serve as such, but the Chinese government has not made use of this platform so far, to discuss the OBOR Initiative, multilaterally. Being the most representative regional organization in the area, the BSEC aims to provide a collective benefit for its Member States, but it also prepares the smooth integration of its own infrastructure projects on transport and connectivity, into the frame of the wider networks connecting Europe and Asia. In this sense, the OBOR Initiative also offers a further possibility for supporting financially the BSEC's infrastructure projects.
30. Huge infrastructural projects require time to be completed. Since China is now facing an economic slowdown, the challenge of finance from the BSEC local governments and the possible debt from the Chinese banks in the near future, may cause obstacles to the OBOR countries. In this regard, the BSEC Member States have to use all the financial mechanisms in order to foresee eventual economic slowdown and to be ready to meet potential financing difficulties.
31. It is necessary to note that the development of infrastructure, integrated on a global scale, is a lengthy and resource-intensive process, including long-term planning, based on a reliable expertise and methodologies, taking into consideration the actual conditions and the state of development of each participating country. The BSEC Member States consider that through policy coordination and joint government actions, a sustainable transport system might be successfully developed, in the framework of the OBOR Initiative.
32. The standards and practices, such as transitional quotas, tolls and visa requirements, which vary among different regions and countries, represent major non-physical barriers to the development of international transport in the BSEC Region. The legislative measures towards trade facilitation, reduction of administrative and trade barriers, the development of customs cooperation, by harmonizing and unifying administrative and transport rules and procedures for the transit traffic, passing through the territory of the countries of the OBOR Initiative, are considered to be an important precondition for its successful implementation.
33. For the implementation of common standards and practices in the international transport, the international agreements and conventions are very important legal instruments. In this context,

the BSEC Member States attach great importance to the multilateral agreements and mechanisms that facilitate the road transportation. Most agreements and conventions are adopted under the auspices of United Nations Economic Commission for Europe (UNECE), aiming to facilitate the intergovernmental cooperation as well as the WTO (World Trade Organization) Trade Facilitation Agreement, providing seamless cross-border procedures and transit.

34. The further development of sustainable transport systems in the BSEC Member States, integrated into the OBOR projects and corridors, will provide an immense opportunity to the countries of the Black Sea Region, given its geostrategic location as a main transport and energy corridor between Europe and Asia. As a significant part of the Ancient Silk Road, the BSEC Member States have to be keen on joining their efforts on building an uninterrupted, high quality, safe and secure connection between Asia and Europe.
35. The successful implementation of the OBOR projects requires effective transport policies, including the development of an appropriate legislative framework, considered as the ability of each BSEC country to coordinate its national strategy aiming at implementing concrete environmentally friendly and mutually beneficial projects.
36. The appropriate legislative framework will create a solid base for the development of ecologically aware modes of transportation (rail, road, marine, ports), relevant to the provisions of the key United Nations transport-related conventions, in the framework of the OBOR Initiative. The sustainable regional transport connectivity should promote the development of a high-quality transport infrastructure with well-developed logistic centres and network facilities.
37. Taking into consideration the growing role of the Region in the global economy, the BSEC Member States have to ensure that the sector fulfils the ambitious goals which are set in the United Nations Paris Climate Agreement (2015) and the United Nations Sustainable Development Goals and joint their efforts in the establishment of an appropriate legislative framework for the development of environmentally friendly and safe modes of transportation, as defined by the BSEC organization.
38. Over the years, the BSEC Organization has developed several important Regional projects, mutually complementary, which are of major significance for the facilitation of transport and trade in the BSEC Region: the Coordinated Development of the Black Sea Ring Highway (BSRH), the Development of the Motorways of the Sea in the BSEC Region (MoS), the Facilitation of Road Transport of Goods in the BSEC Region and the BSEC Permit System.
39. These projects constitute the regional contribution to the extension of Trans-European Networks, the development of Euro-Asian transport links and the Pan-European Transport Corridors. The projects are also complimentary to the development of the TRACECA, which is implemented with a great European involvement.
40. The due development of the BSEC project on the Motorways of the Sea, encompassing ports of the Black and the Mediterranean Seas as well as the recently commenced BSEC work on the development of the intermodal transport, also have a great influence on the connectivity in this Region. These projects – which still require resolute efforts to be finalized – represent the BSEC contribution to other greater projects covering the Eurasian Region, including the “modern” Silk Road.
41. In this regard, the role of the BSEC in the Euro-Asian transportation has been underscored during a high-level debate on "The Belt & Road Initiative (BRI): Bridging the gaps for sustainable transport and growth in Eurasia", which was hosted by the China Highway and Transportation Society, the International Road Federation and the BSEC PERMIS, on 22 May 2019, during the

2019 ITF Annual Summit. The participants focused on the measures that must be implemented to incentivize investments in the BRI projects, the requirements to create conducive environments for the development of sustainable transport infrastructure projects and the ways to maximize the international cooperation and coordination.

42. Upon the Initiative of the Bulgarian BSEC Chairmanship-in-office, in the first semester of 2019, a Round Table on Transport Connectivity in the Black Sea Region was organized in Varna, on 14 May 2019, in order to provide an exchange of views among the representatives of the Member States, on the current development and prospects of the transport connectivity in the BSEC Region, in line with the relevant Memoranda of Understanding concluded in the BSEC framework, and also to discuss other joint projects for the facilitation of transport regional connectivity.

#### ***Situation in the BSEC Member States***

43. ***The Republic of Bulgaria*** has repeatedly declared its support and readiness to implement concrete projects for the development of the transport corridors between Europe and Asia, through public-private partnership, creation of joint companies, concessions, acquisition of shares, etc. The basic rule for the Bulgarian authorities, in the implementation of the projects in the OBOR framework, is their accomplishment in accordance with the EU requirements and norms, without providing state guarantees and on the basis of a public-private partnership.
44. The Republic of Bulgaria has signed a MoU with China, on the joint promotion of the Silk Road Economic Belt and the 21st century Sea Silk Road (26 November 2015, in Beijing). Until now, no projects have been carried out under this Memorandum. The theoretical possibility for transport infrastructure corridors between Europe and China, include the Trans-Caspian International Transport Route – via Varna and Burgas, by ferry, to Georgia, Azerbaijan, Kazakhstan and China. The Bulgarian State Railways' Freight Transport and the Bulgarian Maritime Fleet are interested to include Bulgaria in a consortium of Kazakhstan, China, Azerbaijan, Georgia and Ukraine, for the construction of a new "Silk Railroad". Another possible transport route goes via Turkey, Georgia, Azerbaijan and Kazakhstan, to China.
45. The Republic of Bulgaria is also actively participating in the CEEC 17+1 cooperation platform. The main objectives of the country, in relation to this Initiative, are strengthening the political dialogue; increasing Chinese investment in Bulgaria, in compliance with the EU rules; expanding the volume and scope of the Bulgarian exports to China; attracting Chinese tourists and students. In June 2015, a Center for Agricultural Cooperation, in the framework of this platform, was established in Sofia, and an experimental park and a kiosk for e-commerce of agricultural goods were set up with the Agricultural University of the city of Plovdiv.
46. In 2017, the Bulgarian National Belt and Road Association was established, as a non-governmental organization, aiming to boost Bulgaria's involvement in the OBOR Initiative and strengthen the ties between Bulgaria and China. In July 2018, a Framework Agreement was signed between the Bulgarian Development Bank (BDB) and the Chinese Development Bank, for 1.5 billion EUR, under the Belt and Road Initiative, which includes 500 million EUR of bilateral financing for BDB, used for projects within the Initiative, which may include: support of Bulgarian small and medium enterprises (SMEs), energy, communications, transport and agriculture.
47. ***Greece*** has drafted the National Transport Plan, a project commissioned under the "Framework Agreement for Investment Advisory Services of the European Investment Bank Support within and outside the EU-28". It which constitutes the basis for Greece's transport infrastructure and services' medium- and long-term sustainable development. It sets out the transport sector



development strategy for the next twenty years, also laying down the main actions likely to be supported by the international financial institutions.

48. In the context of the connectivity with Trans-European Transport Networks, Greece participates in the Orient / East-Med (OEM), Rail Freight Corridor, while the Egnatia Motorway with its 9 vertical axes of the Pan-European Corridors ensure the country's connection with the Balkans and the rest of Europe.
49. An important transit hub has been completed at the Port of Piraeus in Greece, and the final phase of construction is to be completed. The Port of Piraeus is considered as the fastest growing port in the world, ranked as the 6th among the 15th largest European ports (in 2018). It has a significant role in the rail freight transport; every week, 16-18 freight trains depart from Piraeus for central and western Europe.
50. The international freight transport involving the third countries is governed by bilateral agreements in force, implemented and carried out without any obstacles. In addition, the carriers of CEMT (Convention of the European Conference of European Transport Ministers) member countries are also allowed to participate in the international road freight transport to third countries, under its provisions. In the BSEC frame, Greece does not participate in the BSEC Permit System, as Greek export transports are deemed to be better served via the aforementioned bilateral and multilateral licensing systems.
51. Referring to the Projects connecting Europe and Asia (One Belt - One Road), in *the Republic of Moldova* was ratified, by Law no. 297/2007, the Memorandum of Understanding on the coordinated development of the Black Sea Ring Highway, signed on 19 April 2007 in Belgrade.
52. On the territory of the Republic of Moldova, the Black Sea Ring Highway shall be located in the direction Odessa – Chisinau - Ungheni – border with Romania. Besides the above- mentioned Memorandum, this direction coincides with the TEN-T Network, TRACECA and the European Agreement on the main international traffic arteries (AGR). This Ring Highway should correspond, from the point of view of technical parameters, to a highway or to an express way.
53. Currently, a feasibility study on the Black Sea Ring Highway has been drafted and a call for tenders on the construction of a highway connecting with the Republic of Moldova to the north of the town of Ungheni, will start soon. In order to fulfill the commitments on the project, the concept of the development of Ungheni – Chisinau – border with Ukraine (as far as Odessa) highway, has already been drafted.
54. The construction of this highway will connect the multifunctional Odessa Harbour with the Black Sea Ring Highway and also will serve as a connection with Central Europe (Germany), through the highways of Romania. The Republic of Moldova supports the Initiative of modernizing and developing the Black Sea Ring Highway and will take concrete measures in this respect.
55. **Romania** attaches a great importance to the regional cooperation and this semester holds the mandate of the BSEC Chairmanship-in-Office. The motto of the Romanian Chairmanship, “Bridging Shores through Enhancing Cohesion”, illustrates Romania’s belief that the prerequisite for the future consolidation of the BSEC should be built around cohesion, interconnectivity and dialogue. The Chairmanship will engage in an all-inclusive, open, transparent and constructive approach, with focus on the following sectoral priorities: Transport and Connectivity; Environment and Green Energy; Sustainable Development Goals; Economic Development and Competitiveness.
56. Romania can play an active and competitive role in building an open, inclusive, sustainable, human-centred global economy, in order to promote common prosperity and to use infrastructure

as a cornerstone of connectivity. Romania can use the opportunity of cooperating within this Initiative, in order to develop its potential in ports, roads, railways, etc., laying the foundations for a sustainable economic growth.

57. In this context, it should be noted that the Europe-Asia Connectivity Strategy, adopted by the EU, brings together, in a single document, the principles on which the EU and the Member States act in building connectivity with Asia, defining a European model: sustainable, comprehensive, based on rules and regulations.
58. Romania promotes, in the context of the projects connecting Europe and Asia, a balanced approach between the opportunities offered by the OBOR Initiative and the opportunities and principles that the EU considers in the field of connectivity, taking into consideration that the EU provides concrete support to the regional cooperation in the Black Sea. Equally, Romania will continue to promote, in the specialized working groups of the EU Council, the need for a reflection process on that Initiative and the alternative approaches on connectivity proposed by the EU and other strategic partners.
59. **The Russian Federation** is not directly involved in the initiatives of the Silk Road Economic Belt (SREB) and the 21st Century Maritime Silk Road (MSR). The cooperation is based on the Joint Statement on cooperation on the construction of the Eurasian Economic Union and the Silk Road Economic Belt between the Russian Federation and the People's Republic of China, dated 8th of May 2015. The Russian side considers this track as one of the important steps in the implementation of the idea of the Russian President Mr. Vladimir Putin on the formation of the Greater Eurasian Partnership (GEP).
60. The concept of the GEP involves “integration of integrations,” that is, the joining of bilateral and multilateral integration processes in Eurasia, and the formation of a wide range of economic cooperation, free from barriers, based on the norms of the World Trade Organization (WTO) and taking into account the diversity of the models of the social economic development.
61. The formation of GEP is intended to contribute to the development of the potential of such influential regional organizations, such as the Eurasian Economic Union (EAEU), the Commonwealth of Independent States (CIS), the Shanghai Cooperation Organisation (SCO), the Association of the South - East Asian Nations (ASEAN) on the basis of the principles of openness, transparency and respect for the interests of all participants. The Greater Eurasia initiative is also opened for the European Union. The task of forming the GEP is shared by all EAEU Member States. This is reflected in the Declaration on further development of integration processes within the Eurasian Economic Union, signed on 6th of December 2018, in Saint Petersburg.
62. China supports the initiative of the GEP formation. The Joint Statement of the Russian Federation and the People’s Republic of China on developing comprehensive partnership and strategic interaction, entering a new era, signed on 5th of June 2019, emphasizes that the OBOR initiative and the Greater Eurasian Partnership can go hand in hand, coordinate development and jointly promote regional organizations and bilateral and multilateral integration processes for the benefit of the peoples of the Eurasian continent.
63. In October 2019, the Agreement on Trade and Economic Cooperation between the EAEU and China came into force, and the Eurasian Economic Commission (the executive body of the Union) and the Chinese government have established joint working bodies. In the framework of these mechanisms, the work on specific industry projects is to be carried out.

64. The Agreement on Economic and Technical Cooperation in the Field of Infrastructure between the Government of the **Republic of Serbia** and the Government of China, which was signed in 2009, represents the base of the formal cooperation between the two countries. In November 2015, the Government of the Republic of Serbia and the Government of China signed a MoU on common affirmation of the Silk Road Economic Belt and the Maritime Silk Road of the 21st century.
65. The Republic of Serbia pays a special attention to the Belt and Road Initiative, through the implementation of joint cooperation priorities: coordination of macroeconomic and interstate development policies, improving the integration of infrastructure plans and technical standards, reducing investment and trade barriers and promoting regional economic integration.
66. The relations between the Republic of Serbia and China reached their full potential in 2016, with the establishment of a “Comprehensive Strategic Partnership” between the two countries. The Initiative takes place on a fully equal partnership basis and helps to build jointly, a partnership “For peace, development, reform and civilization”. Through this Initiative, several infrastructure projects have been agreed or started, such as the reconstruction and modernisation of the Belgrade-Budapest railway connection, the construction of sections of the Miloš Veliki road corridor and Corridor E 763 as well as a bypass around Belgrade.
67. Many significant infrastructure projects are being implemented to provide quality transport and logistics services. Currently, there are approximately 950 km of highways in the Republic of Serbia. Corridor 10 and about 120 km on the Miloš Veliki highway have been completed, creating the possibility for Serbia to be very competitive with other routes as a transport route. The mentioned projects are either in a direct connection or in a functional unit to the OBOR Initiative, in particular, the completion of Corridor 10 which provides an efficient connection with the North Macedonia and Hungary. The most important project of the railway network is the Project of “Modernisation and reconstruction of the Hungarian-Serbian railway on the territory of the Republic of Serbia”, which is under development.
68. **The Republic of Turkey** attaches a great importance to the development of the Trans-Caspian East-West Middle Corridor, as an important component of the OBOR Initiative. On the occasion of the G20 Leaders’ Summit which was held in Antalya, on 14 November 2015, the following Memoranda were signed between China and Turkey: “on the Harmonization of the Silk Road Economic Belt and the 21st Century Sea Silk Road Initiatives with the Middle Corridor Initiative”, “on Cooperation in the Field of Railways”, and “on Cooperation in E-commerce in order to Strengthen the Development of the Information Silk Road”.
69. For the further development of the Middle Corridor, which is one of the crucial routes along the new Silk Road, the Republic of Turkey has also signed three combined transport agreements (Azerbaijan, Turkmenistan, Georgia) and eight road transport agreements with countries of the Corridor (Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan and China). The Road agreement, recently signed between the Republic of Turkey and China, during the Belt and Road Forum held in Beijing, on 13 May 2017, allows vehicles carrying freight, to Kazakhstan and other Central Asia countries, to take freight from the logistics centres or border trade zones between China and Kazakhstan for their return trips, which will eventually increase the competitiveness of the route.
70. Besides the improvement of road, rail, maritime and aviation infrastructure and operations, Turkey has implemented mega projects for the completion of the missing links on the major corridors, such as: Baku-Tbilisi-Kars Railway Project; Edirne-Kars High Speed Railway Project;

Marmaray Project; Halkalı-Kapıkule Railway Project; North Marmara Motorway and Yavuz Sultan Selim Bridge (3rd Istanbul Bridge) Project; Eurasia Tunnel Project; Three-storey Great Istanbul Tunnel Project; Gebze–Orhangazi–Izmir Motorway Project; Rehabilitation of Van Lake Crossings.

71. Turkey has successfully implemented oil and gas projects, such as: Baku-Tbilisi-Ceyhan Main Export Crude Oil Pipeline (BTC), which aims to deliver oil to Ceyhan, through Azerbaijan and Georgia and then to deliver it to the world markets, by tankers; Baku-Tbilisi-Erzurum Natural Gas Pipeline, using the same corridor as BTC in the territory of Azerbaijan and Georgia, whose gas flow started on 4 July 2007. Within the scope of the Trans Anatolian Natural Gas Pipeline (TANAP) Project is envisaged the supply of 6 billion m<sup>3</sup> of Azeri gas to Turkey and 10 billion m<sup>3</sup> of Azeri gas to Europe, annually. TANAP-Europe connection inauguration ceremony was held in Edirne / Ipsala, in November 2019. It is expected that the first delivery will start in 2020. TurkStream Natural Gas Pipeline System (TurkStream) Project is designed to supply natural gas from the Russian Federation to Turkey as well as to supply the Russian gas to Europe, through Turkey.
72. *Ukraine* has concluded several bilateral documents with China, in the framework of the OBOR Initiative, such as: a Protocol between the Ministry of Economic Development of Ukraine and the Ministry of Commerce of China on Strengthening Cooperation in the Co-implementation of the Silk Road Economic Belt (2015); Ukraine-China Action Plan for the Joint Construction of the "Silk Road Belt" and "21st Century Maritime Silk Road" (2017); MoU between the Ministry of Economic Development of Ukraine and the Ministry of Commerce of China on the Beginning of Preparation of a Bilateral Cooperation Plan for Joint Construction of the Silk Road Economic Belt and the 21st century Maritime Silk Road (2019).
73. In addition, a draft Cooperation Plan on the Joint Construction of the Silk Road Economic Belt and the 21st Century Maritime Silk Road has been elaborated between officials of the Ministry of Economy of Ukraine and the Ministry of Commerce of China. The two parties have reviewed the concept, agreed on the actions and set a timeline for the start of work, within this bilateral document. In addition, the draft Action Plan for 2020-2022, supporting the implementation of the Ukraine's National Transport Strategy 2030, includes more than 100 projects for the repair and modernization of the transport infrastructure (railways, airports, seaports), in Ukraine.
74. The implementation of these projects aims at enhancing the competitiveness of the Ukraine's transport system for Europe-Asia transit freight traffic, under the OBOR Initiative. Some of the projects envisaged for 2020 include the following activities: reconstruction of the Banner – Dolinskaya - Nikolaev railway section, electrification of the Kovel - Izov railway section, construction and reconstruction of 5077 km of roads as well as the implementation of projects in order to modernize and develop the infrastructure of the following seaports: Odessa, Chernomorsk, Yuzhniy, Mariupol, Nikolaev.
75. The State Administration of Railway Transport of Ukraine "Ukrzaliznytsia", which is a permanent member of the Association of the Legal Entities of the "Trans - Caspian International Transport Route", regularly participates in the work of the Association. The activities of this Association include: attracting transit and foreign trade goods for the transport in Europa and Asia, conducting an effective tariff policy, optimizing the cost integrated services, creating a unified transportation process technology, reducing the administrative obstacles associated with the border and customs procedures.

### III. CONCLUSIONS

76. The infrastructure connectivity is given high priority on the OBOR agenda. The OBOR countries are supposed to unite their efforts to build a multi-level sustainable infrastructure framework, including railways, roads, shipping, aviation, pipelines and integrated space information networks. If successfully accomplished, it has the potential to reduce the transaction costs of products, capital, information and technologies and to effectively promote the orderly flow and optimal allocation of resources among different Regions. Thus, it will help achieve mutually beneficial economic cooperation in the BSEC Region and beyond.
77. In general, the absolute size and the scale of the planned infrastructure projects are considered to be one of the major challenges for the OBOR Initiative. In addition, private funding is necessary alongside with the funding from the Chinese government and the AIIB, for the accomplishment of the infrastructure of the OBOR Initiative. In this regard, the governments of the BSEC Member States have to give high priority to the funding in the transport sector, with the aim to meet the strategic objectives and achieve a sustained economic growth.
78. The parliaments and the PABSEC need to be keen in providing the legislative support to the trade and customs procedures, ratifying the main international documents, in order to facilitate the further development of the transport sector and better serve the needs of the peoples in the wider Black Sea Region. The legislative measures towards trade facilitation, reduction of administrative and trade barriers, development of customs cooperation, by harmonizing the administrative and transport procedures for the transit traffic passing through the territory of the OBOR countries, are considered to be a necessary guarantee for the successful accomplishment of these projects.
79. However, the recent global developments and the emergence of the new coronavirus in Wuhan (China, in December 2019), constitutes a huge threat to the global economy. The economic fallout due to the coronavirus also threatens the development of the transport connectivity projects. In addition, the spread of the coronavirus directly affects the oil consumption, which affects the oil markets in two ways. First, travel restrictions due to containment efforts limit the use of jet fuel, the supply chains slow and the industrial activity declines. Second, the stock market reaction to the effect of the coronavirus on the global economy builds a projection of further reducing the prices of the oil products and the global oil demand, over the long-term.
80. In this regard, the influential role of the oil industry should be replaced by the further advancement of the non-oil sector. The BSEC Member States should give priority to investments and to the enlargement of the non-oil sector, in order to stimulate the development of export-oriented production, the creation of new jobs, the development of fields, which will decrease the dependence on the oil markets.
81. In general, the development of the connectivity infrastructure, of the transport and energy corridors and of well-developed ports are among the most important factors in ensuring the economic prosperity and boosting the regional cooperation. Promoting connectivity through transport and trade facilitation, within the framework of the OBOR, is an important part of the economic cooperation among the participating States, that will create better conditions for small and medium sized enterprises, stimulating employment and contributing to the economic and social development. In this regard, the BSEC Member States should expand transport connectivity and support result-oriented projects in the BSEC Region, which will increase the regional integration and enhance the trade turnovers in and beyond the Region.