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REPORT*

“Transport Infrastructure as a Means of Development in the BSEC Member States”

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I INTRODUCTION

1. Transport infrastructure plays a crucial role in the socio-economic development of individual states and the region as a whole. It helps in facilitating the movement of goods, services, and people, which in turn enhances economic growth and development. A well-developed transport infrastructure can improve connectivity, reduce transportation costs, and increase market access, thereby fostering trade and investment, improving access to social services such as healthcare and education and enhance quality of life for the population. At the same time, the optimal distribution of freight and passenger transportation depends on the geographical location and economic conditions of specific countries. It is also important to ensure the safety, eco-friendliness and accessibility of transport at the local, national and international levels. It is therefore essential for governments and policymakers to prioritize investments in this critical sector to strengthen cooperation between different modes of transport, regional and cross-border cooperation, as well as cooperation between public and private operators.

2. The Black Sea region is strategically significant due to its geopolitical location between Europe, Asia, and the Middle East. It serves as a vital transportation corridor with its ports, railways, and roads, facilitating the movement of goods and boosting international trade. It is a major hub for energy transit through pipelines and shipping routes. The Black Sea region is also a popular tourist destination, attracting millions of visitors each year. Transport infrastructure plays a vital role in the strategic development of the Black Sea region, offering opportunities for economic growth, trade facilitation, regional integration, and enhanced connectivity. Investment in transport infrastructure is essential for unlocking the potential of the region and fostering sustainable development.

3. Having this in mind, the PABSEC Committee on Economic and Development Policy took the decision to discuss “Transport Infrastructure as a Means of Development in the BSEC Member States” as the main topic of its 63rd meeting in Istanbul, on 17 October 2024.

4. The present Report uses the information received from the national delegations of the Republic of Azerbaijan, the Republic of Bulgaria, the Hellenic Republic, the Republic of Moldova, the Republic of North Macedonia, Romania, the Republic of Serbia, the Republic of Türkiye and Ukraine. It also benefits from the valuable contribution of the BSEC Permanent International Secretariat and the Union of Road Transport Associations of the BSEC Member States (BSEC-URTA). The reference material was also obtained from the official websites of the United Nations Economic Commission for Europe (UNECE), International Road Union (IRU), the International Transport Forum (ITF), the World Bank, the European Union (EU), the United Nations Conference on Trade and Development (UNCTAD) and other relevant international and regional organizations.

II TRANSPORT INFRASTRUCTURE TRENDS AND EXPERIENCE

5. Transport is the backbone of overall development because of its connecting role with other sectors of the economy, as well as of its own contribution to gross value added, its share in the employment and its role in the life of society. Transport infrastructure ensures everyday mobility of people and enables the movement of goods and services providing constant interconnection between them. Not a single trade operation can be imagined without the participation of transport, since transport connects time and space, producers, buyers and sellers. A well-functioning transport sector is a prerequisite for the economic and social development for all countries, as well as for supporting regional and international cooperation and integration. It is vital for the well-functioning of economic activities and a key to ensuring social well-being and cohesion of populations. The development of the transport sector is an indicator of the economic well-being and success of a country. Developed, efficient and safe

transport systems are able to ensure the relationship between transport and the social, economic and environmental spheres both within and among the countries, as well as at a broad international level.

6. Growth rate of the global transportation services market shows signs of constant and significant increase from 7.31 trillion USD in 2022 to the projected 15.94 trillion USD by 2032, with a predicted annual surge of 8.11 percent for the upcoming decade. It is a competitive industry generating 5 percent of European GDP and providing direct employment of approximately 10,2 million of the European workforce.

7. Every transport system is unique in its own way and has a complex structure due to the diversity of infrastructure and transport means, as well as people and organizations associated with the operation of transport and its structure. This complex structure is multiplied by the existence of different modes of transport, different control and legislative bodies, financial systems and technologies. Sustainable transport development is associated with many factors that determine the current situation and trends in the BSEC member states. The assessment of the current state and future challenges related to sustainable transport development is based on forecasts in the field of transport accessibility, affordability, safety and environmental protection, as well as the availability of intermodal transport systems.

8. The International Transport Forum (ITF) Transport Outlook 2023 predicts that freight and passenger demand will increase in the coming decades and that the transport system will require significant investment. It is estimated that around 1.6 - 1.7 percent of global GDP annually through to 2050 is needed for core infrastructure investment to meet projected demand. According to the World Bank Group findings in 2021, the expenditure on transport amounted to 1.23 percent of the global gross domestic product. According to the available limited data, in the BSEC Member States the transport expenditure ranged from 0.16 - 2.71 percent of their GDP in 2021.

9. Transport services are provided by water (sea and river), rail, road, air (aviation), and pipeline transport. In order to obtain the goal of creating reliable and cost-effective transport, adequate infrastructure is considered a must. The term transport infrastructure encompasses fixed installations, roads, railways, airways, waterways, canals, pipelines and terminals creating a framework for the unhindered movement of people and goods. Constant and careful maintaining as well as improvement of the transport infrastructure stands as one of the highest priorities for each country, having in mind its importance for the economy and general prosperity of each society.

10. The task of developing infrastructure is a costly, permanent and cross-sectoral strategic process which should be based on long term strategic and financial planning and clearly defined priorities. Securing stable and continual financial resources is the corner stone of successful implementation and functioning of transport infrastructure. Investments in transport infrastructure have long payback periods, but have a multiplier effect on GDP. In this regard, the BSEC Member States give high priority to the transport sector funding and use all the financial mechanisms, with the aim to meet the strategic objectives and achieve a sustained economic growth. They have set overall infrastructure investment targets and allocated budgets for transport infrastructure. The implementation of investment projects in the field of transport also involves regional financial institutions, such as the Black Sea Trade and Development Bank (BSTDB).

11. In the recent decades more and more private capital, mainly through public private partnerships, is pouring into large scale infrastructure projects, including transport sector. Investments in transport infrastructure play a pivotal role in the increase of countries' GDP,

creating new jobs and growth of several interconnected industries. Likewise, greening transport and creation of more sustainable economic models are major aspects of developing transport infrastructure.

12. The transport strategies of the BSEC Member States are the product of a thorough analysis of technical, economic and political aspects. Political will is the principal prerequisite when it comes to decision making in relation to transformative actions and large transport infrastructure projects in the Black Sea region. Coordinated development of infrastructure with a focus on investment projects requires firm political decisions and commitment. Projects concerning construction of new large-scale regional or international transport infrastructure that are affecting several states, demand a shared vision on regional cooperation and close coordination among the governments of the BSEC Member States necessary for the successful implementation of joint projects and initiatives. It is very important to ensure coordination among national parliaments, governmental authorities and the private sector in the region to create and improve the efficiency of infrastructure projects.

13. The substantial role of the Parliamentary Assembly of the Black Sea Economic Cooperation in shaping the political will in the region and providing legislative support to important BSEC initiatives in developing and advancing transport infrastructure should be highlighted. The PABSEC has placed a special emphasis on a large-scale infrastructural and institutional rehabilitation of transport system in the BSEC region and adopted the respective documents in the previous years. It adopted Report and Recommendation 174/2020 “Legislative Framework for the Realization of the Projects Connecting Europe and Asia (One Belt - One Road)”; Report and Recommendation 171/2019 “Legal and Political Aspects of the Development of Transport Routes in the BSEC Region”; Report and Recommendation 140/2014 “The Role of Parliaments of the BSEC Member States in the Enhancement and Regulation of International Passenger and Cargo Transportation in the BSEC Region”; Report and Recommendation 115/2010 “The Legal Framework for Regulation of Civil Aviation in the BSEC Member States”; Report and Recommendation 107/2009 “Development of the Sea Transport in the Black Sea Region: Problems and Prospects”; Report and Recommendation 84/2005 “Development of the Transport Infrastructure in the Black Sea Region”; Report and Recommendation 40/99 “Legal and Political Aspects of the Transport Systems Integration Process in the Black Sea Region”; Report and Recommendation 29/1998 “Transport in the Black Sea Region”; Report and Recommendation 13/1996 “Cooperation in Transportation among the BSEC Member Countries”.

14. Likewise, the parliaments of the BSEC Member States through their legislative, budgetary and oversight functions contribute to developing efficient transportation and transport-related infrastructure as a basis of a strong economy and improving the quality of life of citizens. Parliamentarians pass legislation that supports major infrastructure investments and transportation projects, ensure sound legislative response to the present transport challenges and can raise awareness about the environmental aspects of transport and its infrastructure to overcome the global climate crisis. Parliaments facilitate ratification process of the key agreements related to transport and transport infrastructure signed by the governments.

15. The Wider Black Sea Region has positioned itself as an important actor in the global transport infrastructure. The geographical strategic location of the region is its natural advantage. It is a connecting bridge between Europe and Asia which implies that none of the Euro-Asian corridors can avoid passing through the BSEC territory. The region accounts for a large proportion of the international transport of goods by land and sea, and its role in global freight movements will continue to grow. The region is an important crossroads and transit corridor connecting major transportation and trade routes, as well as significant energy

corridors. It is the intersection of the main transport arteries and networks such as the New Silk Road, Transport Corridor Europe - Caucasus-Asia (TRACECA) Project, North - South Transport Corridor, Trans - European Transport Network (TEN-T), Euro-Asian Transport Links (EATL), Trans-European North-South Motorways (TEM), the Trans-European Railways (TER), etc.

16. The BSEC Member States, like many other countries in the world, set the task of consistent improvement of the efficiency of the transport sector in order to gain the benefits of regional and international trade. They recognized strategic importance of enhancing transportation infrastructure for all modes of transport including road, rail, aviation, marine, ferry, and urban public transport as a means of fostering economic development and strengthening regional integration. The fact that countries of the region differ regarding the level of development of transport infrastructure, as well as their capacities in financial, institutional and other areas has not affected their commitment to strengthen transport infrastructure and to advance integration. Therefore, steps are taken for improvement of transport infrastructure, logistical capabilities and human capital, removal of non-tariff barriers, and introduction of coordinated policies and strategies.

17. On 28 September 2024, upon the initiative of the Turkish local authorities and entrepreneurs of the Black Sea city of Rize, an international Black Sea – Rize-Ayder Forum “Logistics and Transport in the Black Sea Region” was organised. The Forum adopted the Statement acknowledging a key role of transport logistics in optimizing the movement of goods by all modes of transport and promoting regional cooperation. The Statement calls for expanding logistics capabilities among the countries of the region to increase transport potential, taking into account modern challenges and new trends in economic development. It recognizes the importance of cooperation among all stakeholders in the transport and logistics sectors, as well as developing transport logistics that is safe, efficient and sustainable. By taking concrete actions, it is necessary to build a more sustainable and efficient transport system that benefits all participants and contributes to the overall development of economies and societies in the region.

18. Transport connectivity is one of the essential requirements of any regional integration process. The regional cooperation in the field of transport is one of the main factors boosting closer interaction and connectivity among the countries. Construction of modern, well-developed and reliable transport infrastructure and interconnected transport networks in the BSEC Region integrated into the global transport system, as well as the implementation of multilateral regional and global transport infrastructure projects increases geostrategic importance of the region.

19. Improved connectivity is one of the top priorities for the BSEC Member States. The sustainable regional transport connectivity should promote the development of a high-quality transport infrastructure with well-developed logistic centres and network facilities. All countries in the region are working towards enhancing their road and rail networks. However, some BSEC Member States as land-locked countries face long distances from the nearest seaports that cause higher transport and transit costs compared to the coastal BSEC countries. Thus, they strive to improve their transport and shipping connectivity and develop dry ports to ensure unhindered, efficient and cost-effective access to and from the sea by all means of transport.

20. One of the major transport routes today is the Trans-Caspian International Transport Route, known as the Middle Corridor, which connects China with Europe via the Black Sea region. This corridor is the busiest of the three corridors of the “Belt and Road” project (North, Middle and South Corridors) due to geopolitical tensions in the Black Sea and neighbouring regions,

as well as the numerous sanctions against a number of states. The Middle Corridor is a multi-modal transport network running from China to Europe through Central Asia, the Caspian Sea, Azerbaijan and Georgia before going on to Europe through the Black Sea and Türkiye. The completion of the Baku – Tbilisi - Kars railway in 2017 contributed to its strengthening. In 2022, transit via the Middle Corridor grew by 150 percent compared to 2021. According to the IRU data, freight volumes from China to Europe along the Middle Corridor increased by 84 percent from January to August 2023, compared to the respective period in 2022, surpassing 1.6 million tonnes. The Middle Corridor opens vast possibilities for boosting of regional trade and economic progress of the countries along the route, as well as fostering global connectivity and economic integration between Asia and Europe. In spite of the governments' investments along the corridor, aimed at improvement of transport infrastructure, the existing capacity constraints require key decisive steps to be taken. According to the OECD assessment, these measures refer to targeted infrastructure investments to build complex sets of road, rail, and maritime infrastructure, essentially a regional approach to the route's development, trade facilitation and supra - national coordination.

21. The integration of transport systems is a complex task with many aspects. The optimal distribution of freight and passenger traffic between modes of transport depends on the geographical location, demographic, economic and historical conditions of individual countries. Interaction among different modes of transport, regional and cross-border cooperation, as well as cooperation between public and private operators are necessary. The creation of an efficient integrated transport network requires effective international cooperation.

22. The creation of new transport routes and the improvement of existing ones lead to a reduction in transport costs, the opening of new jobs and have positive effect on the development of the economy of both the countries and regions through which these routes pass. This could be confirmed by the opening of a large number of new jobs during the implementation of such projects as the Baku-Tbilisi-Ceyhan oil pipeline, the TANAP and TAP gas pipelines, the Baku-Tbilisi-Kars railway, etc.

23. Taking into consideration that the 2030 Agenda for Sustainable Development recognizes the key position of transport and infrastructure, the BSEC Member States have to concert their efforts to achieve transport sustainability. However, it is a remarkable undertaking, as it means meeting the increasing demands for mobility while decreasing transport negative externalities. Sustainable transport is interconnected with several SDGs and targets¹. Target 9.1 is directly related to infrastructure aiming to develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all².

24. One of the pressing challenges facing the transportation sector is the need to reduce its effects on the environment. Transport is one of the main causes of the observed increase in greenhouse gas emissions and therefore a likely cause of climate change, but on the other hand, transport infrastructure and services are affected by the impacts of climate change and weather extremes. Transport accounts for about 64 percent of global oil consumption, 27 percent of all energy use, and almost a quarter of the global energy-related CO₂ emissions. According to the estimates of the International Transport Forum (ITF), total transport activity is expected to

¹ Sustainable transport is directed across SDGs pertaining to food security, health, energy, economic growth, infrastructure, and cities and human settlements.

² Target 3.6 is related to road safety, and 11.2 to providing access to safe, affordable, accessible and sustainable transport systems for all and expanding public transport.

more than double by 2050 compared to 2015. Moreover, the anticipated greenhouse emissions from transport could increase by 60 percent by 2050 as the demand for mobility grows in the coming decades. Thus, the BSEC Member States have to take into account goals set by the United Nations Paris Climate Agreement (2015) and the United Nations Sustainable Development Goals and make a positive contribution to sustainable development at local, national and international levels.

25. In November 2024 in the BSEC region, in Baku will be held an important UN COP-29 conference which will take up among other issues the problem of negative impact of transport on the environment. Holding such an important conference in the Black Sea region confirms the topicality of this problem for the countries of the Wider Black Sea Region.

26. In transport infrastructure projects, maintaining of green agenda has become a central concern. This includes conducting impact assessments before the start of infrastructure projects to identify and mitigate adverse environmental impacts; integrating elements of green infrastructure into road and railway construction and modernization projects, such as green corridors and areas; adoption of measures to protect and conserve natural habitats affected by infrastructure projects; encouraging the use of sustainable materials and technologies in the construction and maintenance of transport infrastructure, thereby reducing the environmental impact. Governments of the BSEC Member States are implementing stricter safety regulations, as well as emission rules and prioritizing modern infrastructure projects, smart, low-carbon and multimodal transport and ecologically safe modes of transport.

27. The innovative technologies and the new business models are integral parts of the developments that the transport sector faces. Digitalisation of transport and intelligent transport systems are advancing in their application in all modes of passenger and freight transport aiming to reduce congestion, increase the safety and the efficiency of transport and protect the environment. The BSEC Members States closely follow the key trends in the transportation industry, such as the increasing use of technology and growing automation and connectivity. Many of these developments are being facilitated by the breakthroughs in artificial intelligence and will play an increasing role in facilitating transport in the coming years.

28. Enhancing economic integration in the BSEC region positively affects transport cooperation, development of transport infrastructure and enhanced coordination to improve connectivity, bring lower transaction costs, enhance the safety, reliability and security of transportation, combat the uneven growth in the various modes of transport and improve environmental outcomes. A well-established cooperation mechanism requires the coordination between national and international transport systems, as well as the integration of different modes of transport.

III TRANSPORT INFRASTRUCTURE COOPERATION IN THE BSEC REGION

29. Transport infrastructure development and cooperation have been integral parts of the concept of the Organization of the Black Sea Economic Cooperation since its inception in 1992. The BSEC has been directing efforts towards implementation of major transportation projects aimed at the expansion and modernization of transport infrastructure and links as a critical priority for promoting trade, investment, and cultural exchange among its Member States.

30. The updated strategic BSEC document “The BSEC Economic Agenda - Towards a sustainable future of the Wider Black Sea area” adopted on 15 December 2023, sets the “establishment of an efficient, sustainable and safe transport network” under the Goal 3. It aims, *inter alia*, to promote sustainable transport systems in the region, to reduce regional disparities and to link the BSEC region’s transport infrastructure to European and Asian networks, as well as to reinforce the implementation of the main BSEC projects in the field of

transport. One of the priorities of the current Armenian BSEC Chairmanship-in-Office is promoting regional transport connectivity.

31. The main activities of the BSEC Member States in the field of transport are conducted within the Working Group on Transport. Ukraine is the Country - Coordinator for the period 1 January 2023-31 December 2024. The general objective of the WG Plan of Action is integration of the national transport networks into the regional ones and into the Trans-European Transport Network and Euro - Asian Corridors, and the development of reliable, efficient, safe, integrated and sustainable transport systems in the BSEC region. The Plan recognizes the following areas of action: further development of road and maritime structure through further implementation of the Black Sea Ring Highway (BSRH) Project and the elaboration of the Motorways of the Sea (MoS) Master Plan; facilitation of road transport of goods through gradual liberalization of transport, development of intermodal transportation and multimodal ferry and passenger lines; road safety; strengthening the BSEC institutional capacity and utilizing its project mechanisms, etc.

32. The BSEC efforts have been directed towards using the capacity of the region and increasing its transit potential. The concrete steps were taken towards development of modern road infrastructure, maritime infrastructure and facilitation of international transport of goods.

Development of road and maritime infrastructure

33. Several mutually complementary regional transport infrastructure projects were developed which are of major significance for the Wider Black Sea region, as well as for the Euro-Asian region. These projects, which represent the BSEC's contribution to the extension of Trans - European Networks and the development of Euro-Asian transport links, are the Project on the Coordinated Development of the Black Sea Ring Highway and the Project on the Development of the Motorways of the Sea in the BSEC region.

34. Cooperation on the development of road infrastructure was established within the Memorandum of Understanding for the Coordinated Development of the BSRH, which was signed in Belgrade on 19 April 2007 and entered into force in November 2008. The project entails the establishment of a highway, connecting littoral Black Sea Member States, with extensions to other Members. The project envisages a four-lane ring highway system, approximately 7500 km long. The work on the project was institutionalized by the establishment of the Steering Committee on the Development of the BSRH. Substantial parts of the highway are ready, while the others are in the construction or planning phases. On 1 November 2022 the Republic of Moldova and the Republic of Armenia assumed the Presidency and the Vice-Presidency in the Steering Committee for a biannual period. Starting from 1 November 2024, the Presidency and the Vice-Presidency in the Steering Committee for a biannual period will be assumed by the Republic of Armenia and the Republic of Serbia.

35. Development of maritime infrastructure is underway within the Memorandum of Understanding on the Development of the MoUs in the BSEC region. The project comprises of the ports of the Member States and aims at creating necessary infrastructure and links for better connecting the Black Sea ports and, also, the Black Sea with the Mediterranean and the Caspian Seas. This envisages upgrading of port facilities, identification of projects of common interest, securing free and fair competition in international shipping, facilitation of access to all modes of transport and enhancement of maritime security and safety in the BSEC region. The cooperation within the MoU is coordinated by the MoUs Ad Hoc Working Group. On 1 November 2022 the Republic of Moldova and the Republic of Armenia assumed the Presidency and the Vice-Presidency in the WG for a biannual period. Starting from 1 November 2024, the

Presidency and the Vice-Presidency in the Steering Committee for a biannual period will be assumed by the Republic of Armenia and the Republic of Serbia.

Facilitation of road transport of goods

36. Cooperation on the gradual liberalization of transportation is going on within the Memorandum of Understanding on Facilitation of Road Transport of Goods in the BSEC region, signed in Kyiv in 2002. The work on the MoU was institutionalized by the establishment of the Steering Committee on Facilitation of Road Transport of Goods. The Steering Committee works on the issues of gradual liberalization of transport, Permit system, etc., in a close cooperation of the IRU and Union of Road Transport Associations in the Black Sea Economic Cooperation Region (BSEC-URTA). The BSEC-URTA is a BSEC Sectoral Dialogue Partner gathering member associations from the BSEC Member States to provide private sector contribution and promote sectoral interests in the region by working with the governments and all stakeholders.

37. It is noteworthy to mention the “BSEC Permit System” project as an important transportation tool. With the aim of facilitating road transport of goods, the programme has been implemented since 2010 and the number of participating Member States increased to nine BSEC Member States (Republic of Albania, Republic of Armenia, Georgia, Republic of Moldova, Republic of North Macedonia, Romania, Republic of Serbia, Republic of Türkiye and Ukraine). Currently, the efforts are underway to expand the geographical coverage of the BSEC Permit System. The constantly growing number of the BSEC permits used in the participating Member States confirms the results achieved in the field. The number of BSEC permits distributed to the participating states for 2024 reached 40 800. Considering the steps forward in the field of the digitalization of the transport sector, it was agreed by the interested BSEC Member States to act for the substitution of the paper permits by those in electronic form.

38. The Activity Report of the BSEC-URTA priorities for 2024 presented at the 44th meeting of the BSEC-URTA General Assembly, held in Tashkent on 2 September 2024, highlighted the priorities and actions taken in the previous period. It emphasized the importance of further development and expansion of the BSEC Permit to Eurasia in parallel with the promotion of the ePermit system; dealing with border crossing problems in BSEC region through monitoring of waiting times at border crossing points (BCPs) along the region's main road transport corridors; the digitalization of TIR (Convention on the International Transport of Goods) system; promotion of eVisa for professional drivers; digitalization in the field of international road transport in the BSEC region; promotion of the IRU – BSEC - PABSEC interaction, etc.

39. At the 43rd Meeting of the BSEC-URTA General Assembly held in Tirana on 19 April 2024 the concern was raised about situation regarding regional road transportation and constrains in the transport logistics, such as very long waiting in BCPs exceeding ten days in some cases. Moreover, BSEC-URTA’s Resolution adopted at 35th Meeting of the BSEC-URTA General Assembly in Istanbul on 28 May 2019 points out the major border crossing difficulties at the external and internal borders of Black Sea region stemming from the inappropriate infrastructure of BCPs, inefficient procedures, non-synchronized work of neighbouring borders and insufficient personnel which cannot meet the high demand for crossing of the commercial vehicles. The consequence of these difficulties resulted in an increased cost of the intra and extra BSEC Region goods carried by international road transport.

40. The BSEC, IRU and BSEC-URTA have been coordinating efforts in taking practical steps aimed at facilitating border crossings in the BSEC region, through the establishment of modern and efficient border station facilities, especially at the more congested border points between

BSEC Member States. The “One Stop Shop” promoted by the BSEC-URTA is an important facilitation tool applied at borders of North Macedonia with Albania and Serbia and should be mentioned as a good example. The BSEC-URTA also supports the development of combined transport such as RO-RO lines. The connection of the Black Sea ports in Bulgaria, Georgia, Greece, Romania and Türkiye by ferry lines could help solve the high waiting time of trucks at the land borders. New RO - RO lines between Romania and Türkiye and Georgia and Romania are of importance for the Middle Corridor, uniting Central Asia to Europe. Further urgent actions in the BSEC region are needed aiming at, *inter alia*, development of adequate transport infrastructure, including the establishment of green/priority lanes for certain truck categories, modernization of border crossing points, introduction of electronic and digital documentation, digitalization of transport documents and facilitating visa procedures for professional drivers.

41. In parallel to the promotion of major infrastructure projects, BSEC attaches special attention to optimizing intermodal services, which requires further cooperation among the Member States in the areas like trade and economic development, customs matters and transport. The BSEC Task Force on Intermodal Transportation meets regularly to discuss issues of shared interest, to identify problems affecting intra-regional trade expansion and transportation.

Situation in the BSEC Member States

42. The geographical location of ***the Republic of Azerbaijan*** positioned it as a hub for transcontinental transport corridors. The country's extensive network of roads, railways, ports, and airports serves as a vital conduit for the movement of goods, services, and people in the BSEC region and beyond. However, faced with growing economic and geopolitical challenges, Azerbaijan has recognized the need to further strengthen and diversify its transport infrastructure in order to unlock new opportunities for development.

43. Azerbaijan has been able to establish a seamless multimodal transportation system that facilitates the efficient movement of cargo and passengers across the region by constructing and upgrading rail and road networks, as well as by modernizing seaports. One of the key initiatives led by the Azerbaijani Parliament has been the development of the North-South Transport Corridor. The strategic investments in the North - South Transport Corridor have yielded tangible benefits for Azerbaijan and its BSEC partners. For instance, the completion of the Baku – Tbilisi - Kars railway line has significantly reduced the travel time and transportation costs between the BSEC region and Central Asia, opening up new avenues for trade and economic cooperation. Similarly, the expansion and modernization of the Baku International Sea Trade Port have enhanced the country's capacity to handle increased cargo volumes, further strengthening Azerbaijan's position as a logistics hub within the BSEC region.

44. The Azerbaijani Parliament has also been actively involved in the development of the East-West Transport Corridor, which connects the BSEC region with China and the broader Eurasian landmass. The construction of the Baku – Tbilisi - Ceyhan oil pipeline and the establishment of the Alat Free Economic Zone have been instrumental in bolstering Azerbaijan's role as a strategic transit point for energy and cargo flows between Europe and Asia.

45. ***The Republic of Bulgaria*** follows a sustainable policy of integration of the national transport system with the transport system of the European Union. The framework for the implementation of the transport policy is defined in several strategic documents, which are: National Development Programme Bulgaria 2030 (Priority 7 “Transport Connectivity” and Priority 8 “Digital Connectivity”), Integrated transport strategy for the period up to 2030 (with

one of strategic priorities of efficient maintenance, modernization and development of transport infrastructure), National Plan for the Development of Combined Transport in the Republic of Bulgaria by 2030 and Transport Connectivity Programme 2021-2027.

46. Bulgaria's efforts are aimed at developing the infrastructure included in the scope of the Trans-European Transport Network (TEN - T) and achieving the technical and operational standards set out therein. On the territory of Bulgaria, the TEN-T network includes: railway and road sections; junctions; inland waterways (the Danube River) and European Transport Corridors: ETC “Rhine – Danube”; ETC “Western Balkans-Eastern Mediterranean”; ETC “Baltic Sea - Black Sea - Aegean Sea”.

47. Since the autumn 2023, Bulgaria is working with Greece and Romania to build a North-South transport corridor connecting the three countries. The plans envisage the development of road and railway infrastructure connectivity between the Greek port of Alexandroupolis through Bulgaria to the Danube and on through Romania to the Republic of Moldova and Ukraine. The route is included in the new European transport corridor "Baltic Sea - Black Sea - Aegean Sea" with an extension to Ukraine and the Republic of Moldova. The construction of a third bridge over the Danube at Ruse - Giurgiu is of paramount importance for Bulgaria.

48. Work is underway to expand Bulgaria's participation in the Trans - Caspian International Transport Route (the Middle corridor). Bulgaria is making great efforts to invest and modernize the Black Sea ports of Burgas and Varna, which creates conditions for effective cooperation with other countries in the Black Sea region and sustainability of transport connections in the region. On the horizontal axis, Bulgaria continues its efforts to implement the Pan - European Transport Corridor VIII Sofia – Skopje – Durres - Bari. The corridor is a key connection along the East-West axis and provides an opportunity to establish an intermodal connection between the Black Sea and the Adriatic Sea with Italy.

49. In *the Hellenic Republic*, the Ministry of Infrastructure and Transport is the competent authority for transport infrastructure policies. Its core responsibilities include, among others, the establishment of a National Transport Strategy and the monitoring of its implementation, as well as the operational planning of transport and related policies and procedures. The National Strategic Transport Plan is in preparatory phase which will identify necessary policies and investments in the transport sector.

50. The objective of the National Transport Project for Greece (NTPG) is to provide the basis for the sustainable development of infrastructure and services of the Greek transport system in the medium and long term, which will contribute to the competitiveness of the country's transport sector. It will also define the development strategy of the transport sector for the next 20 years and will support the economic growth of Greece. Furthermore, it will define the main actions to be supported by the European Union and international financial institutions, in particular the European Investment Bank.

51. The Ministry of Infrastructure and Transport is also responsible for the Sustainable Urban Mobility Plans, which seek to achieve the balanced and integrated development of all modes of transport, increase environmentally friendly transport options, develop multimodal transport, etc.

52. Through the Association Agreement concluded with the European Union, *the Republic of Moldova* undertook steps to modernize the transport sector. The following state programmes set transport infrastructure as a priority: the National Development Strategy "Moldova 2030", the National Plan “Building European Moldova”, the National Development Plan 2025 - 2027 (PND) and Mobility Strategy 2030.

53. Road infrastructure modernization projects are being implemented according to the National Development Plan 2025 - 2027. The programme “Construction, rehabilitation and modernization of national roads part of the Trans-European transport network TEN-T” provides for the rehabilitation of about 350 km of priority roads, in order to reach a proportion of 20 percent of roads compliant with EU Regulations by 2030. Moreover, the “Moldova Roads III, IV and V” projects focus on the rehabilitation of 537.4 km of national roads. At the same time, integration into the Trans - European Transport Networks is a measure of strategic importance for the Republic of Moldova to promote connectivity, economic and social development and strengthen relations with the EU.

54. The expansion of the Giurgiulesti International Free Port infrastructure is expected by 2028 in order to enhance the port's capacity and efficiency, facilitate the growth of cargo exchange and international trade. In the railway sector, based on the Mobility Strategy 2030 and the National Development Plan, the number of passengers transported by rail is estimated to reach 70.6 million passengers by 2027, from 58.9 million in 2023. By implementing the project “Rehabilitation and Modernization of the Railway Infrastructure”, the rehabilitation and modernization of 345 km of railway is expected by 2026. In the air transport sector, developing the connectivity of the Chisinau International Airport with various destinations is a strategic priority.

55. The implementation of intelligent systems in the field of transport is at early stage in all transport sectors and steps are taken to ensure digitalization and higher application of advanced technologies. The road transport sector of the Republic of Moldova is the first contributor to carbon emissions and thus, the transport policies focus on reducing greenhouse gas emissions and promoting less-polluting modes of transport, aligning with global sustainability objectives.

56. Currently, the Republic of Moldova is planning the implementation of two major projects in the field of transport infrastructure, which will promote connectivity: UNIRII highway Târgul Mureş – Iași – Ungheni – Chişinău – Odessa and construction, rehabilitation and modernization of national public roads included in the Trans - European transport network TEN-T.

57. The basic transport infrastructure of *the Republic of Northern Macedonia* is relatively well established and can be considered as a good basis for further modernization. The new approach of the National Development Strategy (NRS) for the transport sector integrates the broader social, economic and political priorities offering better opportunities for sustainability and potential to reduce the uneven distribution of revenue and costs of transport management.

58. Strategic goals of the transport sector are generally focused on improved access and security of links with neighboring countries through upgrading and modernization of transport infrastructure. These activities are in line with European Union’s standards and are essential for improving the quality of life of people and achieving sustainable economic development of the country.

59. The National Transport Strategy (NTS) aims for the the development of the sustainable internationally compatible transport sector that is of intermodal infrastructure and fully integrated into the Trans - European Transport Network. It is regulated in accordance with the principles of good governance, respecting the universal right to “mobility” for all and in accordance with EU rules and regulations.

60. In 2016, *Romania*’s strategic General Transport Master Plan (GTMP) for the period 2016-2030 was adopted. It aims to meet national transport objectives in terms of road, rail, water and air infrastructure. The GTMP is supported by the Implementation Strategy, as well as the Investment Program for the development of transport infrastructure for the period 2021-2030.

Overall, the financing need for all transport sectors in Romania amounts to over 70 billion EUR over the next decade.

61. An extensive program of highway and expressway construction, with a total length of approximately 767 km is currently underway. Through the construction of the high-speed roads, connectivity will be considerably improved both nationally and internationally and road safety increased. The road projects have been defined in accordance with the connectivity needs at national and European levels, as well as the primary and secondary road network.

62. The Port of Constanta is the largest port of Romania and represents the eastern gateway for the entry/exit of goods to/from the EU. It has very good connectivity with all modes of transport and specialized terminals for handling all categories of goods and passengers. The Port of Constanta is included in two European transport corridors, the Rhine – Danube Corridor and the Baltic Sea – Black Sea – Aegean Sea Corridor.

63. Romania is currently engaged in development of intelligent transport systems in the national road network, a process that is carried out in parallel with the road sector development program envisaged by the General Transport Master Plan, the Investment Program and the National Recovery and Resilience Plan. In 2022, the Government adopted the National Strategy on Intelligent Transport Systems for the period 2022 - 2030. Its goal is to provide an institutional and legislative framework for the development and implementation of the best intelligent transport system solutions on national roads, establishing interconnections with other modes of transport, as well as improving cross-border systems and the creation of multimodal solutions.

64. In *the Republic of Serbia*, the field of road transport is governed by the Law on Freight Road Transport, the Law on Passenger Road Transport, and the Law on Contracts for Road Transport, as well as by the by-laws adopted for their implementation. There are 38 bilateral agreements in force, and with regard to the BSEC Member States there are bilateral agreements with: Albania, Azerbaijan, Bulgaria, Greece, the Republic of Moldova, North Macedonia, Romania, Türkiye and Ukraine. Serbia is in process of innovating and aligning bilateral agreements with Albania, Georgia, Romania and Türkiye. Likewise, multilateral agreements in the field of transport of goods and passengers by road are in force in the Republic of Serbia.

65. Drafting of the Law Amending the Law on Roads is in the final stage and the amendments regulate, *inter alia*, the introduction of intelligent transport systems on public roads, obligations for road operators, as well as the formation of a National Access Point established by the state as a single point for access, exchange and use of data related to traffic and traffic infrastructure, in order to provide interoperable services related to travel and traffic to end users. The Draft Law on the Introducing Alternative Fuels Infrastructure is also being prepared. The goals of the law are to establish a dense publicly accessible network of infrastructure. In July 2023, the Law Amending the Law on Railways and the new Law on Interoperability of the Railway System were adopted.

66. The preparation of the National Transport Development Strategy 2023-2030 is underway which includes all types of traffic. The National Public Railways Infrastructure Programme 2024-2028 is under preparation. Also, the Traffic Safety Strategy of the Republic of Serbia 2023-2030 with the accompanying Traffic Safety Action Plan 2023-2025 was adopted. With the adoption of the new Law on Traffic Safety, which is expected to be adopted by 2026, as well as by-laws, the legislation of the Republic of Serbia will be fully aligned with the acquis of the European Union in this area. Also, the Waterborne Transport Development Strategy of the Republic of Serbia 2015-2025 was adopted which includes the measures for the implementation of strategic goals related to the development of navigable inland waterways in

the Republic of Serbia, the development of the economic potential of ports and harbours in the Republic of Serbia, cargo port development plans and harbours, development of passenger ports and terminals, renewal and improvement of the national fleet of ships, professional training and employment in the field of waterborne transport, etc.

67. Located on the main international transportation corridors, *the Republic of Türkiye* serves as a bridge in regional and intercontinental trade connecting Asia and Europe. The 2053 Transportation and Logistics Master Plan aims to ensure the sustainable development of Türkiye, to expand transportation networks throughout the country and to structure a transportation system that is holistic, efficient, economical, accessible, safe, responsive to the needs of society, supportive of economic growth and prioritizing environmental issues.

68. There have been major developments in the civil aviation sector since 2003. Steps were taken to open aviation activities to the private sector and competition that resulted in improvement of physical conditions of airports and their modernization, the construction of new airports and reduction of travel costs. The number of active airports, which was 26 in 2003, increased to 57 by the end of June 2024.

69. The completion of the railways currently under construction will ensure the uninterrupted railway traffic from Asia to the Middle East, from the Middle East to the Balkans and from there to Europe. Therefore, a railway system featuring cheap, safe and strong infrastructure will contribute to the development of the country's economy. The development of combined transportation modes in freight traffic with connection lines to organized industrial zones, large industrial facilities, factories, ports and other places with high transport potential increases the share of railways in transportation and contributes to international competition, the economy and the environment of Türkiye.

70. In line with net zero emission by 2050 commitment under the Paris Agreement Türkiye continues its efforts to phase out greenhouse gas emissions in its maritime sector by 2050 at the latest. In this context, projects on maritime decarbonisation and green shipping have been initiated in coordination with EU. At the same time, environmentally friendly port operations are also supported, and 20 port facilities have been awarded a green port certificate within the scope of the “Green Port” project.

71. The National intelligent transportation systems (ITS) Strategy Document and its Action Plan 2020-2023 entered into force by the Presidential Circular No. 2020/9 from 5 August 2020. The Strategy serves as a roadmap for the advancement of ITS in Türkiye. The Ministry of Transport and Infrastructure is responsible for coordinating work on ITS, with aim to provide sustainable, environmentally friendly, efficient, comfortable and safe transportation services.

72. Transport is one of the most important sectors of the economy of *Ukraine*. The transport system has an extensive railway network, a developed road network, seaports and river terminals, airports and a wide network of air services, an extensive network of public passenger transport routes, bus stations, and cargo customs terminals. The armed aggression of the Russian Federation has radically changed the transport system of Ukraine. Due to the hostilities in Ukraine and the martial law introduced on 24 February 2022, Ukraine's airspace is closed to civil aviation, but Ukrainian airlines operate outside Ukraine. Despite the challenges faced by the transport system, measures continue to be taken to restore and develop the transport sector in line with the country's European integration course.

73. Measures are currently being taken to approve the National Transport Strategy for the period up to 2030 and an operational plan for its implementation, which includes the basic principles of restoring and developing the transport system and implementing EU standards. It is also planned to develop sectoral programme documents that will define measures and

investment projects for the restoration and development in the relevant policy areas. In the area of road transport and road infrastructure, measures are being taken to fully implement EU legislation on road tolls and fees, road safety, implementation of requirements for road carriers, and improvement of the public transport system. In terms of rail transport, the main priority is the adoption of the Law of Ukraine "On Railway Transport of Ukraine", which launches the reform of the railway industry according to European standards, in particular, the opening of the railway transportation market to private carriers. In the area of maritime transport, work is underway to implement EU acts into national legislation, in particular, the draft Law of Ukraine "On Amendments to Certain Legislative Acts of Ukraine Regarding Merchant Shipping and Shipping on Inland Waterways" has been prepared.

74. In terms of inland waterway transport, the main sectoral law is the Law of Ukraine "On Inland Waterway Transport" that includes the implementation provisions of the five main European directives in the field of inland waterway transport. All the above provisions create the conditions for ensuring the rights of citizens to use safe, energy efficient and environmentally neutral transport, provide business with a clear free competitive environment and opportunities to enter EU markets, and contribute to the overall development of the transport industry in Ukraine.

75. On 26 June 2024, the President of Ukraine signed the Law "On Amendments to Certain Legislative Acts of Ukraine on the Introduction of Electronic Tickets for Road and Urban Electric Transport" No. 3778 dated 5 June 2024. Moreover, in order to preserve the road surface and reduce the cost of maintaining public roads of national importance, the implementation of the Weigh-in-Motion (WIM) system began in 2018. It should be noted that within the framework of the EU-Ukraine Association Agreement, the development of an integrated and reliable transport system for the transport of waste and wastewater, as well as the development of the balanced transport masterplan for Ukraine will contribute to the competitiveness of the transport sector and the Ukrainian economy.

IV INTERNATIONAL EXPERIENCE AND FRAMEWORK

Regional level

European Union (EU)

76. Transport is a basis of European integration and of the proper operation of the European Union's single market since it ensures the free movement of goods, persons and services. Thus, special attention is attributed to the common EU transport policy aiming to improve mobility, eliminate major barriers in key areas and boost growth and employment by means of integrated networks using all modes of transport (road, rail, water and air).

77. The European Commission adopted the Sustainable and Smart Mobility Strategy - putting European transport on track for the future in December 2020. It encompasses an Action Plan with 82 proposals, steering the activities in the field of transport policy for the period 2021-2024. The Strategy seeks to transform the EU's transport system, in line with the goals of the European Green Deal and the EU's Digital Strategy and it focuses on topical issues such as green and digital transformation of the EU transport and its resilience to future crises. Special emphasis is put to greening mobility given the fact that the European Green Deal calls for a 90 percent reduction in greenhouse gas emissions from transport. Moreover, the Strategy recognizes that investment in transport infrastructure across the EU is an important element for the functioning of the economy, connectivity, and cohesion among its Member States.

78. European strategic planning in the field of transport is reflected in Trans-European Transport Network (TEN-T) project. Its purpose is development of a modern, effective and multimodal transport infrastructure to connect Europe's regions and national networks of

railway lines, roads, ports and inland waterways. The revised regulation regarding EU guidelines for the development of the Trans-European Transport Network (TEN-T) was adopted in June 2024. The corridors in the new Regulations are: Atlantic Corridor, Baltic Sea-Adriatic Sea Corridor, Baltic Sea - Black Sea - Aegean Sea Corridor, Mediterranean Corridor, North Sea - Baltic Corridor, North Sea - Rhine-Mediterranean Corridor, Rhine - Danube Corridor, Scandinavian - Mediterranean Corridor and Western Balkans - Eastern Mediterranean Corridor. The Regulation seeks to improve transport connections with the EU's neighbouring countries. The TEN-T comprises the core network due to be completed by 2030, the extended core network to be completed by 2040 and the comprehensive network by 2050.

79. The key EU funding instrument to support investment in transport infrastructure is the Connecting Europe Facility (CEF). In July 2021, the Regulation establishing the CEF for the period 2021-2027 was adopted and the budget allocated to CEF transport amounts to 25.8 billion EUR. In the transport sector, CEF is dedicated to the implementation and further development of the TEN-T and aims at supporting investments in cross-border projects, missing links, as well as promoting innovation, sustainability, digitalisation and safety in the transport system. Those objectives should be achieved by establishing interconnections and interoperability between national transport networks. It is planned to allocate over 7 billion EUR to 134 projects that will contribute to a sustainable and environmentally friendly transport infrastructure.

The Transport Community

80. Established in 2017, the Transport Community is an international organisation in the field of mobility and transport gathering the EU Member States that participate collectively as the European Commission and the Republic of Albania, the Republic of North Macedonia and the Republic of Serbia. Georgia, Republic of Moldova and Ukraine are observing participants. The Organization aims at developing the transport network between the EU and the Parties in the fields of road, rail, inland waterway and maritime transport, as well as at facilitating integration of the Western Balkans' transport markets into the EU. The Transport Community is also tasked with developing a rolling work plan for the development of the indicative TEN-T extension of the comprehensive and core networks to the Western Balkans.

Europe-Caucasus-Asia International Transport Corridor (TRACECA)

81. TRACECA is an international transport programme, which includes 14 member states in the regions of Eastern Europe, the Caucasus and central Asia. The participating BSEC Member States are Armenia, Azerbaijan, Georgia, the Republic of Moldova, Romania, Türkiye and Ukraine. The objective of the Programme is to strengthen the economic and transport communication between the regions of the Black Sea, the Caucasus and Central Asia. The most important agreement is the "Basic Multilateral Agreement on International Transport for Development of the Europe-the Caucasus-Asia Corridor" (MLA TRACECA).

The global level

The United Nations Economic Commission for Europe (UNECE)

82. The United Nations Economic Commission for Europe is one of the five United Nations regional commissions, established in 1947. It seeks to enhance competitiveness, safety and energy efficiency of the transport sector and to decrease the environmental consequences of transport. Its Inland Transport Committee is specialized in facilitating sustainable development of inland modes of transport and discusses various issues in the fields of road, rail and inland water transport, road safety, intermodal transport logistics, border crossing facilitation, etc. The UNECE also attaches due importance to implementation of intelligent transport systems for achieving safe and sustainable mobility. All BSEC Member States are members of the UNECE.

83. There are four main transport infrastructure agreements developed under the auspices of the UNECE aimed at the development of coherent networks for road, rail, inland water and combined transport infrastructure. They are: the European Agreement on Main International Traffic Arteries (1975), the European Agreement on Main International Railway Lines (1985), the European Agreement on Important International Combined Transport Lines and Related Installations (1991) and the European Agreement on Main Inland Waterways of International Importance (1996).

The International Road Transport Union (IRU)

84. The International Road Transport Union (IRU), established in Geneva in 1948, is the international organisation representing the interests of the road transport industry worldwide. Through its global network of national member associations, IRU represents the interests of bus and coach operators and goods transport operators. With a truly global vision, IRU also acts effectively at international, regional, national and local levels through its national members, guided by its motto: “Working together for a better future”.

85. The IRU's mission is to promote road transport worldwide and ensure its sustainable development, using training programmes to enhance competencies in the sector and improve the quality of services provided. IRU works together with its members to ensure the harmonious development of the road transport industry and enhance its reputation. The IRU Statute defines the dual objective of sustainable development and the facilitation of road transport as two fundamental and priority objectives that underlie all its activities. The IRU represents more than 3.5 million companies in the fields of mobility and logistics in over 100 states.

The International Transport Forum (ITF)

86. The International Transport Forum is an intergovernmental organisation comprising 69 member states. It is a global platform for transport policy focusing on all transport modes. The ITF organizes the Annual Summit of Transport Ministers and it focuses on the role of transport in economic growth, environmental sustainability and better transport. All BSEC Member States are members of the ITF.

International Civil Aviation Organization (ICAO)

87. The International Civil Aviation Organization is a specialized agency of the United Nations aiming to support global air network. It set following objectives: improvement of global civil aviation safety; increase the capacity and improve the efficiency of the global civil aviation system; enhancement of global civil aviation security; development of sound and economically viable air transport and environmental protection. All BSEC Member States are members of the ICAO.

International Air Transport Association (IATA)

88. The International Air Transport Association is an international association founded in 1945 and unites about 330 airlines from all over the world, which serve more than 84 percent of international air transportation. The Association acts as a coordinator and representative of the interests of the air transport industry in such areas as flight safety, flight operations, tariff policy, maintenance, aviation security, development of international standards jointly with ICAO, etc. The most important area of IATA's activity is the organization of mutual settlements between air transport entities, based on a system of sales of transportation on a neutral form of air ticketing.

The International Union of Railways (UIC)

89. The International Union of Railways was established in 1922 with the aim of jointly solving problems in the field of development of railway transport. The main mission of UIC is to

promote rail transport at the international level, solving problems of mobility and sustainable development. The main areas of activity are to promote the exchange of advanced technologies and experience between members of the Union, develop and implement new areas of activity, find ways to improve technical and environmental efficiency, promote interaction, create new world standards for railways, including common standards with other modes of transport, and create competence centres for high speeds, safety, and security.

V. CONCLUDING REMARKS

90. Transport is the backbone of economic vitality of countries and regions, influencing various aspects of development, trade, and society as a whole. Efficient transport systems facilitate trade and commerce by enabling the movement of goods and services. This connectivity is vital for local, national, and international markets, directly influencing economic growth and development. Transportation networks become essential for connecting countries and regions. They facilitate international trade and connectivity. The transport sector generates numerous jobs, ranging from infrastructure development and vehicle manufacturing to logistics and supply chain management. Investment in transport infrastructure, such as roads, railways, ports, and airports, often drives broader infrastructural improvements. The BSEC Member States follow the dynamic transformations and take necessary measures at national level.

91. The strategic importance of transport infrastructure cannot be overstated, as it plays a pivotal role in shaping economic, social, and geopolitical landscapes. Efficient roads, railways, ports, and airports shorten delivery times, and improve supply chain efficiency, which in turn drives economic growth. Well-developed transport networks enhance connectivity between urban and rural areas, improving access to markets, healthcare, education, and employment opportunities. This is vital for integrating regions and promoting balanced development. Transport systems facilitate cultural exchange by enabling the movement of people, promoting tourism and interaction between diverse communities, enriching understanding and social cohesion. Its strategic importance underscores the need for ongoing investment and innovation to address the challenges of today and tomorrow.

92. The BSEC Member States have developed effective transport infrastructure systems to facilitate individual mobility, movement of goods, provide access to employment and services such as health, education and promote economic activity. By investing in modernization and adopting strategic policies, they enhance connectivity and improve the quality of life of citizens. The role of transport infrastructure in economic development of the BSEC Member States is manifold. It connects peoples and markets and plays a crucial role in facilitating trade, enhancing competitiveness, supporting economic growth, attracting investment and promoting tourism. It is a *sine qua non* for steady and overall sustainable development of the BSEC Member States.

93. Taking into consideration the growing role of the Wider Black Sea Region as a main transport hub between Europe and Asia and its integration into global markets, the further development of transport infrastructure is essential for its future prosperity. The transport network of the Wider Black Sea Region should be developed through the creation of new transport infrastructure, the rehabilitation and upgrading of existing infrastructure and measures promoting its resource-efficient use. It is obvious that there are positive trends in development of transport infrastructure over last decades and the BSEC has made a progress in advancing transport policy in the region. Measures regarding improving cross-border infrastructure, standardization of regulations and procedures and promotion of multimodal transport projects should be endorsed.

94. Policies to improve transport infrastructure and the sustainable development of transport address a wide range of social, financial, technological, infrastructure and environmental issues at local, national and international levels. An efficient and transport infrastructure and networks greatly help realise the benefits of regional integration, promote trade and investment, and make progress in other areas of cooperation, such as tourism and cultural exchanges. Thus, collaborative efforts within the BSEC framework strengthen regional development and integration, fostering economic resilience and sustainable development of the region. Likewise, accomplishments in this direction require sound transport policies based on the multilateral and bilateral agreements with due regard to the interests of every BSEC Member State.

95. The transport sector is highly sensitive to geopolitical developments because of the ongoing crisis in Ukraine. The active interaction within the BSEC and its Working Group on Transport for realization of the strategic targets of BSEC in the transport sector identified in the BSEC Economic Agenda - Towards a sustainable future of the Wider Black Sea area” is to be intensified and the cooperation on the implementation of the Memoranda on the development of the Black Sea Ring Highway and Motorways of the Sea further promoted.

96. Transport infrastructure is not merely a set of roads, rails, air transport, maritime, water transport and ports; it is a foundational component of economic growth and international interconnectedness. Transport infrastructure is often viewed as a strategic asset in terms of national security and geopolitics. Control over key transportation routes can enhance a country's influence in regional and global politics. Transport infrastructure plays a multifaceted role as major transport corridors can serve as vital links for international trade, enabling countries to exert influence over regional processes. Investments in major joint transport projects strengthen bilateral relations, foster cooperation, and enhance mutual benefits for countries and regions.

97. Therefore, the BSEC Member States have to join efforts to ensure that transport infrastructure of the region meets the requirements of the present moment and transport systems realize their full potential. The PABSEC highly appreciates the endeavours of the BSEC Member States to expand bilateral and multilateral interaction in the field of transport infrastructure as a means of reaching sustainable development and expresses its readiness to support future projects in the field contributing to well-being of the citizens of the region.