BSEC CELEBRATES ITS 20TH ANNIVERSARY

On 25 June 2012, BSEC celebrated its 20th anniversary. A Summit at the level of Heads of State and Government was held on 26 June 2012 in Istanbul, to mark this important milestone.

The 20th Anniversary Istanbul Summit, was Co-Chaired by the President of the Republic of Serbia H.E. Mr. Tomislav NIKOLIC, representing the Chairmanship-in-Office of BSEC and the President of the Republic of Turkey H.E. Mr. Abdullah Gül, representing the host country and the incoming Chairmanship.

One of the main outcomes documents of the Summit is the Istanbul Declaration. With this Declaration, the Member States renewed their commitment to the BSEC process at the highest level.

The Declaration underlines the commitment to increase intra-BSEC trade and investments and further promote public-private partnerships. It highlights the importance of implementing sustainable development strategies based on a balanced and harmonious relationship between social needs, economic activity and the protection of the environment and emphasizes the readiness of the Member States to incorporate environmental approaches in their economic and social development programs. It stresses the importance of gender equality and the vital role of women’s participation in economic and political processes for achieving sustainable and inclusive development and refers to the investment in the education of youth as an essential ingredient for the future prosperity of societies. The Declaration also reflects the dedication of the Member States to continue the reform process to improve the functioning of BSEC.

The Istanbul Declaration also renews the commitment of the Member States to strengthen the project-oriented dimension of the Organization by giving priority to projects that would bring tangible benefits and greater impact and at the same time stimulate internal reforms and the integration of the national economies in the region. It refers to the need to consolidate the project management capacity of the BSEC Permanent International Secretariat, including through the allocation of significantly greater financial resources for project development on a voluntary basis. The importance attached to accelerating the implementation of the two flagship transport infrastructure projects of BSEC, namely, the Black Sea Ring Highway project and the project on the development of the Motorways of the Sea in the BSEC Region, is also highlighted in the Declaration.

The Declaration refers to the need to enhance the coordination and interaction among the BSEC Related and Affiliated Bodies, as well as the importance of strengthening the cooperation with other international and regional organizations, institutions and initiatives. The 20th Anniversary Istanbul Summit also endorsed a new Economic Agenda for the region.

More than a decade ago, in 2001, the BSEC Economic Agenda for the Future was adopted. It was designed as a roadmap, outlining the action needed to meet the goals set by the BSEC Charter. A new Economic Agenda Towards an Enhanced BSEC Partnership has been introduced to face the new challenges and opportunities in the global and local environment. The new regional strategy sets goals in 17 priority areas of action and provides recommendations to further strengthen the Organization.

BSEC NEWS: BSEC commemorated its 20th anniversary with a Summit of the Heads of State and Government of the Republic of Turkey in Istanbul, in June 2012. One of the main outcomes documents of the Summit is the Istanbul Declaration. The Summit also endorsed a new Economic Agenda for the region.

In the light of these documents, what are the key issues that BSEC will be focusing on?

A. DAVUTOGLU

BSEC was launched twenty years ago as a regional initiative in the midst of a regional transformation process that opened up new avenues of cooperation with the vision of promoting economic cooperation and dialogue in the Black Sea region.

The BSEC region altogether represents 7.6% of the world’s economy, its GDP grows 6% annually and total GDP amounts to 3.4 trillion USD along with a BSEC intra-trade volume which amounts to almost 360 billion USD. It has a total population of 350 million, endowed with rich hydrocarbon resources, a strong scientific and technological base and high quality human resources.

On the occasion of the 20th Anniversary of the BSEC, the Heads of State and Government of the BSEC Member States have gathered in Istanbul on 25 June 2012 and adopted two important documents: the Istanbul Summit Declaration and the BSEC Economic Agenda Towards an Enhanced Partnership.

In line with the priority areas of action refined in these two documents, BSEC will be promoting cooperation with its international partners such as the United Nations, European Union, EU and others. This regionally shaped strategic partnership aims to develop joint strategies and action documents that provide a comprehensive vision for the role and strategy of the BSEC Organization in short and medium-term perspectives. In fact, the enhanced BSEC will be an efficient, proactive, constructive and reliable actor in the region has already been recognized by the international community. To accomplish these aims, the political will and the dedication of the Member States is essential.

BS NEWS: BSEC, consisting of 12 Member States and having 17 Observers and 16 Sectoral Dialogue Partners, has evolved into a solid institution. In addition to its Permanent International Secretariat based in Istanbul, BSEC also has four Related Bodies which deal with the parliamentary, business, financial and academic dimensions of cooperation, respectively. It has developed legal documents, plans of action and projects in various spheres, while it has had more modest results in other areas. Taking into consideration that all regional and international organizations around the world are going through a period of challenges and difficulties, how would you assess the overall standing of BSEC? Could we say that BSEC has stood the test of time?

A. DAVUTOGLU

BSEC is a unique platform of cooperation for countries with common historical, cultural and social values. The 20th Anniversary of BSEC is a good opportunity to take stock of the past and look forward for enhanced co-operation among its members and with potential partners.

Looking back at the performance of BSEC over the last 20 years, we can see several concrete achievements which we can build upon.

The global picture today is very different from the one when BSEC was established. The importance of the Black Sea and Eurasia is on the rise. The Black Sea basin is becoming a centre of gravity in terms of energy transport, trade routes and economic cooperation.

We have every reason to believe that this trend will continue. Capitalizing on the past experience and making use of the growing interest from the international community to our region, now is the time to look forward, to determine what we can do in certain areas where the members have common ground.

As Chairman-in-Office of BSEC, we have set certain priorities throughout our Chairmanship and believe that the Ministerial Meetings organized in the areas of Transport, Combating Crime as well as Taxation and the other events such as Junior Diplomats Training program contributed to the implementation of the conclusions of the Summit.

BS NEWS: BSEC was launched as a regionally owned initiative, with Turkey’s lead back in 1992, at a time when regional cooperation was most needed in the transformation process that the countries of the Black Sea area were undergoing. The idea that stronger economic cooperation among the Black Sea countries would contribute to peace and stability in the region was the underlying philosophy behind BSEC. To what extent has BSEC fulfilled the expectations of Turkey as a Founding Member and the Host Country of the Secretariat of the Organization? How would Turkey like to see BSEC in the next decade?

A. DAVUTOGLU

After twenty years of its foundation, BSEC has stood the test of time and it has become the full-fledged organization of the wider Black Sea area. It has achieved much, but there is still a tremendous potential to be fulfilled.

There is still a vast potential for cooperation that remains untapped and room for further improvement. On our side, we have the political will to further explore and exploit the potential of the region to the interest of all.

In short, the ultimate goal for regional cooperation should be removing all barriers before economic, commercial and humanitarian interaction among the Member States. It also constitutes the underlying aim that led us to pioneer and contribute to the BSEC for the last 20 years. In the coming months and a year, we expect the economic dimension of the Organization to be further reinforced through more project-oriented initiatives and action documents.

BS NEWS: What factors played a role in defining the Chairmanship’s main theme?

A. DAVUTOGLU

The BSEC region, which connects strategic transportation and trade routes as well as crucial energy corridors, located at the heart of Eurasia, presents vast opportunities to the interest of our peoples. With this important but mind, we tried to answer during our Chairmanship-in-Office to how we are going to advance our prosperity
in the future and at the same time ensure a more sustainable socio-economic environment throughout our region. This has been the core aim around which our Chairmanship-in-Office has revolved.

Accordingly, the main theme of the Turkish Chairmanship-in-Office has been “From regional cooperation to a zone of prosperity in the Black Sea Area”. This theme provided a comprehensive vision to activate our potential for achieving closer cooperation, greater stability and prosperity in the BSEC region.

BS NEWS: Would you like to convey a message to the readers of the Black Sea News?

A. DAVUTOĞLU: I want to express my conviction of furthering cooperation and thank all partners contributing to our efforts towards enabling a better environment for a more prosperous Black Sea region.

The Black Sea is a strategically important region. The strategic importance of this region derives from its location which is situated at the intersection of major energy, transport and trade routes of Eurasia.

What makes the peculiarities of the Black Sea region distinctive is the way its commonalities came together over the millennia to shape interrelated societies and all the more important a unique economic and social interaction. The BSEC Foreign Ministers had the duty to use this potential effectively and transform the Black Sea into a region of peace, solidarity and prosperity.

We believe that the involvement of people in the region to the BSEC projects deserves special attention in this regard. To accelerate the process of transformation and turn the Black Sea into a zone of prosperity, we expect full support and cooperation of all the BSEC Member States.

27th MEETING OF THE BSEC COUNCIL OF MINISTERS OF FOREIGN AFFAIRS HOSTED BY TURKEY

The 27th Meeting of the BSEC Council of Ministers of Foreign Affairs was held on 15 December 2012, in Istanbul, under the Turkish Chairmanship-in-Office.

The 27th Meeting of the BSEC Council of Ministers of Foreign Affairs was held on 15 December 2012, in Istanbul. H.E. Prof. Dr. Ahmet DAVUTOĞLU, BSEC Chairman-in-Office and the Minister of Foreign Affairs of the Republic of Turkey, chaired the meeting. The representatives of the BSEC Member States, as well as BSEC Related Bodies, Observers and Sectoral Dialogue Participants took part in the meeting to exchange views on issues of common concern to the region. In their statements, they highlighted the need to continue the ongoing reforms to further increase the efficiency, effectiveness, visibility, institutional capacity, and human resources of BSEC, its Permanent International Secretariat and Related Bodies.

The importance of narrowing down the priorities of the Organization was reiterated. During the Turkish Chairmanship, one of the primary objectives was to prepare an action plan to ensure the effective implementation of the new BSEC Economic Agenda. In this framework, the Council adopted a document titled “The Way Forward for an Action Plan on the Implementation of the Economic Agenda Towards an Enhanced BSEC Partnership.” With this document, it will be up to the collective efforts of the Member States, the Working Groups and the Secretariat to develop and implement strategies to help BSEC concentrate its resources on shortlisted priority areas identified by the Member States for the medium-term, with a more result-oriented approach and well-defined time-frames.

The importance of strengthening regional ownership and identifying viable projects with project-based funding which could contribute to sustainable development was underlined. The significance of fully realizing the flagship transport projects of BSEC, namely the Black Sea Ring Highway project and the project on the development of the Marmara-Halic-Cuca-Jartown-Istanbul-Constanta on the Black Sea in the BSEC Region, was reiterated, as these projects are expected to bring the countries of the region closer together and to have a positive impact on their economies through contributing to the increase of trade and investments. References were made to the need to create a cross-sectoral platform within the Secretariat for project management as well as the need to use more effectively the fast track model of cooperation.

The representatives of the BSEC Member States also highlighted their willingness to fully tap on the cooperation potential with Observers and Sectoral Partners of the Organization. Resolution, Decisions and Recommendations on various issues were adopted by the Council at the conclusion of the meeting. They pertain to the appointment of Country-Coordinators for some of the BSEC Working Groups, the establishment of a Task Force for the BSEC Pilot Project on the introduction of the International Vehicle Weight Certificate, the renewal of the Observer and Sectoral Dialogue Partnership status of various countries and organizations, the implementation of the BSEC Public Communication Strategy, the events and activities of BSEC and its Related Bodies as well as the appointments to several positions at the Permanent International Secretariat.

At the conclusion of the meeting, a ceremony took place whereby the Republic of Turkey handed over the Chairmanship-in-Office of BSEC to Ukraine. Ukraine will officially assume the Chairmanship as of 1 January 2013, for a period of six months until 30 June 2013.
The Ministers of Interior of the BSEC Member States met in Istanbul on 23 November 2012. During the meeting which was chaired by the Minister of Interior of the Republic of Turkey H.E. Mr. Idraç Naim Şıhvel, the Ministers and Heads of Delegations of the BSEC Member States and Observers, delivered statements and discussed strategies, developments and cooperation in the field of combating organized crime in the Black Sea Region. At the conclusion of the meeting, a Joint Declaration was adopted. The said document envisages the strengthening of cooperation among the national authorities of the Member States involved in preventing and fighting transnational crimes including economic and financial crimes, smuggling of migrants, human trafficking, trafficking of light weapons and terrorism. In the Joint Declaration, the Ministers stated their determination to take effective measures to prevent and combat any financial activities of organized criminal groups, particularly in the forms of financial investments and real estate acquisitions with criminal proceeds.

The Declaration envisages the improvement of the existing mechanism of information exchange within the framework of the BSEC Network of Liaison Officers on Combating Crime. In the Declaration, the Ministers also expressed their commitment to promote cooperation in preventing the trafficking of drugs and its precursors via sea routes.

The Declaration stipulates enhancing cooperation with other international and regional organizations for the exchange of expertise and best practices and for developing joint projects and programs in the field of preventing and combating transnational crimes. As a known, fighting organized crime is among the priority areas of cooperation within BSEC. In 1998, BSEC established a Working Group on Cooperation in Combating Crime in particular in its Organized Forms, which meets regularly to foster regional cooperation in fighting organized crime.

The legal framework for cooperation among the BSEC Member States in this area includes the Agreement Among the Governments of the Black Sea Economic Cooperation Participating States on Cooperation in Combating Crime, in particular in its Organized Forms (Keykapi, 2 October 1998), the Additional Protocol to the Agreement Among the Governments of the Black Sea Economic Cooperation Participating States on Cooperation in Combating Crime, in particular in its Organized Forms (Rus., 13 March 2002) and the Additional Protocol on Combating Terrorism in the Agreement Among the Governments of the Black Sea Economic Cooperation Participating States on Cooperation in Combating Crime, in particular in its Organized Forms (Athens, 2 December 2006).

A Network of Liaison Officers on Combating Crime has been established in compliance with the Additional Protocol of 2002. In 2008, the BSEC Regional Action Plan for Strengthening the Criminal Justice Response to Trafficking in Persons in the Black Sea Region was adopted by the OECD and UNODC.

The Minister of Finance of the Republic of Turkey H.E. Mr. Muhammet Simsek and Deputy Minister of Foreign Affairs of the Republic of Turkey H.E. Ambassador Naci KORU delivered opening addresses during the meeting. The meeting discussed the opportunities and challenges of transnational and regional cooperation among the BSEC countries in order to find solutions to common problems in the areas of taxation. The participants discussed the tax policy trends and challenges in the BSEC region, tax treatment of financial instruments in the BSEC region, application of VAT to international trade, taxation of tobacco and alcoholic beverages, challenges of transfer pricing, reduction of the shadow economy level and the role of international economic organizations in international tax practices.

The event constituted the first Tax Forum held under the auspices of BSEC. The organizers expressed their hope that from now on it will be organized on a regular basis in the same regional framework. The outcomes of the BSEC Tax Forum were shared with the members of the BSEC Working Group on Banking and Finance at the meeting of the Working Group held on 5 December 2012, at the BSEC Headquarter in Istanbul. All presentations made during the Tax Forum can be accessed from the website of the General Directorate of Revenue Policies of the Republic of Turkey www.gdd.gov.tr.

The BSEC Tax Forum held in Antalya, Turkey, on 20-23 November 2012, brought together more than 60 decision makers in tax policy and administration from the BSEC region, tax experts, academics and representatives of international organizations.

Dear Readers,

2012 was a special year for BSEC. On 25 June 2012, BSEC celebrated its 20th anniversary. A Summit at the level of Heads of Government and Government was held in Istanbul, on 26 June 2012 to mark this important milestone.

One of the main outcome documents of the Summit was the Istanbul Declaration on the BSEC process at the highest level. The 20th Anniversary Istanbul Summit also endorsed the new Economic Agenda for the region, which was adopted by the Council of Ministers of Foreign Affairs on 13 June 2012, in Belgrade. This document has been introduced for the Organization to face new challenges and opportunities in the regional and global spheres, taking into account the developments that have taken place since the establishment of BSEC. This regional strategy sets goals in 17 priority areas of action and provides recommendations in the pursuit of further strengthening BSEC.

After the successful Chairmanship-in-Office of Serbia in the first half of 2012, Turkey took over the Chairmanship for the second half of the year, with the motto “From regional cooperation to a zone of prosperity in the Black Sea Area.”

One of the primary objectives of the Turkish Chairmanship was to prepare an action plan to ensure the effective implementation of the new BSEC Economic Agenda. This objective has been fulfilled. The Council of Ministers of Foreign Affairs, during its 27th Meeting in Istanbul, adopted a document titled “The Way Forward for an Action Plan on the Implementation of the Economic Agenda Towards an Enhanced BSEC Partnership.” With this document, it will be up to the collective efforts of the Member States, the Working Groups and the Secretariat, through careful and serious planning, to help BSEC concentrate its resources on identified priority areas identified by the Member States for the medium-term, with a more results-oriented approach and well-defined time-frames.

The Turkish Chairmanship identified various areas of focus, which include transport, extra-regional trade and investments, sustainable energy, combating organized crime, education and involvement of youth and civil society, science and technology, taxation, culture and tourism, as well as strengthening the Organization and its cooperation with international partners.

Among the high level events in the calendar of the Turkish Chairmanship, in addition to the Meeting of the Council of Ministers of Foreign Affairs which convened at the conclusion of the Chairmanship in December, an Informal Meeting of the BSEC Council of Ministers of Foreign Affairs was held on 27 September 2012, in New York.

The first BSEC Tax Forum was organized on 20-23 November 2012, in Antalya, Turkey. It brought together the Ministers of Finance, senior decision makers in tax policy and administration, tax experts and academics from the BSEC Member States, as well as representatives of international organizations to discuss common challenges and to share best practices in taxation. The Meeting of the BSEC Ministers of Interior in Istanbul, on 23 November 2012 and the Meeting of the Ministers of Transport in Izmir, Turkey, on 28 November 2012, constituted yet other highlight events of the Chairmanship. Both events were concluded with the adoption of Joint Declarations. Apart from these Ministerial events, many Working Group meetings, workshops and other events in different spheres of cooperation were organized under the Turkish Chairmanship.

The work of BSEC and its four Related Bodies are complementary, with parallel objectives. The activities of our Related Bodies and their support to the BSEC cooperation process are instrumental for consolidating regional cooperation. In this regard, the 40th Plenary Session of the PABSEC General Assembly held in Bukh, on 27-28 November 2012, contributed to strengthening inter-parliamentary dialogue in the region. The Black Sea Trade and Development Bank continued to display an excellent performance, while the International Centre for Black Sea Studies produced valuable work. It is a pleasure to note that with its newly appointed Secretary General and Deputy Secretary General, the BSEC Business Council is now set to fully concentrate its efforts on becoming a stronger instrument for fostering a closer network among the businessperson in the Member States and for promoting the trade and investment opportunities of the region to the outside world.

In the second half of 2012, BSEC continued to enhance its interaction with other international organizations. The cooperation with the United Nations specialized agencies grow stronger. The UN General Assembly adopted its latest resolution on Cooperation between the UN and BSEC on 19 November 2012. This Resolution was tabled by the Turkish Chairmanship-in-Office and was co-sponsored by the BSEC Member States and some BSEC Observers and Sectoral Dialogue Partners.

The Turkish Chairmanship has also marked by a revitalization of BSEC-EU interaction. A meeting of the BSEC Trakia in an open format with the Working Party on Eastern Europe and Central Asia (COSTEST Working Party) of the EU Council of Ministers was held in Brussels on 7 December 2012. This constituted the second informal meeting with the COSTEST Working Party this year. We hope to organize the next meeting in Istanbul in 2013. The Chairmanship-in-Office of Turkey is coming to an end and Ukraine will officially assume the Chairmanship from 1 January 2013. For the next six months, be ready to witness another rich calendar of events for fostering BSEC cooperation in a number of areas.

As we approach the end of 2012, I wish you all a happy new year and I look forward to sharing with you new developments on activities and projects for the common benefit and prosperity of our region and its peoples.

Ambassador Dr. Víctor TWIRCUN
Secretary General of the Organization of the Black Sea Economic Cooperation Permanent International Secretariat
TRANSPORT MINISTERS OF THE BSEC MEMBER STATES CONVENE IN IZMIR

The Ministers of Transport of the BSEC Member States met in Izmir, Turkey, on 28 November 2012. During the meeting, which was chaired by the Minister of Transport, Maritime Affairs, and Communications of the Republic of Turkey H.E. Mr. Binali YILDIRIM, the Ministers and Heads of Delegations delivered statements and discussed the current developments and prospects in the sphere of transport in the Black Sea region. At the conclusion of the meeting a joint declaration was adopted.

In Izmir, the Transport Ministers also attended the International Conference on Trade and Transport Facilitation in the Black Sea, Central Asia and Middle East Regions with participation of the ministers from the mentioned regions. The conference was jointly organized by the International Road Transport Union and the Union of Chambers of Commerce and Commodity Exchanges of Turkey, under the patronage of the Turkish Ministry of Transport, Maritime Affairs and Communications.

The Conference addressed the issues of facilitation of trade and international road transportation through effective implementation of the key UN legal instruments and other relevant actions towards eliminating barriers, discriminatory measures and difficulties hindering the road transport industry.

Transport is one of the main areas of cooperation for BSEC. The Organization has three flagship projects along with their sub-projects, namely the Black Sea Ring Highway Project, the project on the development of the Motorways of the Sea in the BSEC Region and projects related to the facilitation of the road transport of goods.

The Black Sea Ring Highway project envisages a four-lane ring highway system, approximately 770 km long, to connect the BSEC Member States with each other. In their 2011 Moscow Declaration, the BSEC Ministers of Transport decided to include the IRU Model Highway Initiative into the future Black Sea Ring Highway’s Master Plan in order to bring the ancillary road infrastructure to the highest European standards. In this context, a pre-feasibility study on the “Development of the Baku - Tbilisi - Batumi – Trabzon Model Highway” has been conducted.

The project on the development of the Motorways of the Sea in the BSEC Region, on the other hand, is about strengthening the maritime links among the ports of the BSEC Member States. The project on the Facilitation of Road Transport of Goods in the BSEC Region and its sub-

projects, aim to facilitate road transport and regional trade. Within this framework, a pilot project for the establishment of a BSEC Permit system for the road transport of goods was launched in 2010, with participation of seven BSEC Member States. Encouraged by the positive results which have been achieved, in 2012, the participating states have agreed in principle to make the BSEC Permit Project permanent. With this project, BSEC has become the first regional organization to issue such transport documents.

Harmonization of weighing procedures, introduction of the International Vehicle Weight Certificate (IVWC), harmonization of changing policies, monitoring of the border waiting times and facilitation of visa procedures for professional drivers are other key areas of focus for BSEC cooperation in the spheres of transport. In this context, the Agreement on Simplification of Visa Procedures for the Professional Lorry Drivers Nationals of the BSEC Member States, signed in 2008 in Tirana, is expected to facilitate road transport and their financial contribution to trade among the Member States, once it goes into effect. Also, a pilot project is being developed for the introduction of the IVWC for the interested Member States.

The BSEC transport projects are expected to foster intra-regional trade, as well as tourism, infrastructure and transport investments and economic prosperity among the countries of the Black Sea. They will also contribute to the efforts of the UN Economic Commission for Europe (UNECE) towards the development of the Euro-Asian transport links.

MEETING OF BSEC PERMIS SECRETARY GENERAL WITH BSEC CHAIRMAN-IN-OFFICE

The Secretary General of the BSEC PERMIS Ambassador Dr. Victor TVIRCUN paid a working visit to H.E. Prof. Dr. Ahmet DAVUTOGLU, Chairman-in-Office of BSEC, Minister of Foreign Affairs of the Republic of Turkey H.E. Ahmet DAVUTOGLU, on 23 July 2012.

During the meeting, the two sides discussed the priorities of the Turkish Chairman-in-Office. Recent developments related to the Organization and the region were also addressed.

SECRETARY GENERAL OF THE BSEC PERMIS VISITED ROMANIA

BSEC PERMIS Secretary General Ambassador Dr. Victor TVIRCUN paid a working visit to Romania on 8-10 October 2012.

In Bucharest, the Secretary General met with H.E. Luminita ODUBESCU, State Secretary of the Ministry of Foreign Affairs, H.E. Ovidiu SILAGHI, Minister of Transportation and Infrastructure; H.E. Gogal PARASCHIV, State Secretary of the Ministry of Education, Research, Youth and Sports; H.E. Irina-Maria CALAL, State Secretary of the Ministry of Culture and National Patrimony; H.E. Magda COZMANCIUC, State Secretary of the Ministry of Environment and For statue; H.E. Marcel BOLDO, State Secretary of the Ministry of Rural Development and Tourism; H.E. Rodin TRACIU, State Secretary of the Ministry of Economy, Commerce and Business Environment; Ms. Diana POFEDESCU, General Manager of the Treasury Department of the Ministry of Public Finance; Mr. Marian TUTILESCU, Head of the Sichieni Department of the Ministry of Interior Administration; and Mr. Mihai DARABAN, Vice President of the Chamber of Commerce and Industry of Romania.

During the meetings, the importance of the effective implementation of the new BSEC Economic Agenda was underlined. Various issues related to the activities of BSEC were discussed, including the efforts to further improve the effectiveness and efficiency of BSEC and the consolidation of the project-oriented dimension of the Organization by developing concrete projects to the benefit of all Member States. The need to increase the visibility of BSEC through the implementation of the newly adopted BSEC Public Communication Strategy was also discussed.

Issues pertaining to the development of energy transportation corridors, the AGRI Project, the Nabucco Project, transport infrastructure and the implementation of the Black Sea Ring Highway project were addressed. In the light of the agricultural potential of the region, there was an exchange of views on the possibility of creating a Black Sea Grain Stock Market.

During the consultations with the Romanian side, the Secretary General shared various project ideas for BSEC in the spheres of transport, tourism and culture.

The Romanian officials reaffirmed their country’s commitment to the Black Sea Economic Cooperation process and outlined BSEC’s key role in the economic development of the region. In this context, the Romanian side stressed the importance of strengthening cooperation with the European Union, in an efficient and pragmatic manner, through focusing on projects of common interest. The Romanian officials also underlined the significance of speeding up the implementation of the flagship transport infrastructure projects of BSEC.
PRIME MINISTER OF MOLDOVA VISITED THE BSEC HEADQUARTERS

The Prime Minister of the Republic of Moldova H.E. Mr. Vladimir FILAT paid a working visit to the BSEC Headquarters in Istanbul, on 2 November 2012, within the framework of his official visit to the Republic of Turkey.

During his visit to the BSEC Headquarters, Prime Minister FILAT had a bilateral meeting with BSEC PERMIS Secretary General Ambassador Dr. Victor TVRCUN. Prime Minister FILAT expressed his country’s keen interest to further enhance cooperation in the wider Black Sea area through BSEC and stated the readiness of Moldova to extend full support to the PERMIS in conducting its work to foster multilateral cooperation in the region.

The visit was concluded with a reception hosted by the BSEC PERMIS in honor of Prime Minister Vladimir FILAT at the BSEC Headquarters, with the participation of the representatives of the Missions of the BSEC Member States, Related Bodies, Observers and Sectoral Dialogue Partners in Istanbul.

BSEC SECRETARY GENERAL VISITED AZERBAIJAN

The BSEC PERMIS Secretary General Ambassodor Dr. Victor TVRCUN paid a working visit to Azerbaijan, on 25-27 November 2012.

In Baku, the Secretary General was received by H.E. Mr. Ilham ALIEV, President of the Republic of Azerbaijan. Secretary General TVRCUN also met with the President of the Parliamentary Assembly of the Black Sea Economic Cooperation (PABSEC) and Chairman of the Mili Majlis of the Republic of Azerbaijan H.E. Mr. Gadj ASADOV, Minister of Foreign Affairs H.E. Mr. Elmar MAMADZAYEV, Minister of Culture and Tourism H.E. Mr. Abubakar GARAYEV and Minister of Youth and Sports H.E. Mr. Azad RAGIRMOV.

During the meetings, the ongoing and planned BSEC activities and projects were discussed, as well as Azerbaijan’s participation in them. The importance attached to strengthening and increasing the visibility of BSEC at the regional and international levels and transforming the Organization into a stronger platform of dialogue was underlined. Both sides expressed the need to consolidate the project-oriented dimension of BSEC. They also exchanged ideas on various possible projects, mainly in the spheres of transport, tourism and culture.

The Minister of Culture and Tourism H.E. Abubakar GARAYEV referred to the possibility of organizing a regional Tourism Fair and Forum under the BSEC umbrella. The Minister of Youth and Sports H.E. Azad RAGIRMOV stated that a Forum of Young Businessmen of the Black Sea Region could be organized under the auspices of BSEC to promote networking among the young businesspeople in the BSEC Member States.

During his meeting with the President of PABSEC and the Chairman of the Mili Majlis of the Republic of Azerbaijan H.E. Oktay ASADOV, Secretary General Dr. TVRCUN underlined the importance of the role played by PABSEC, as a Related Body of BSEC, in providing effective and close interaction among the national parliaments, as well as consistent support to the BSEC cooperation process. The Secretary General congratulated H.E. Oktay ASADOV for his successful Presidency of PABSEC and the results of his committed work.

In addition to his bilateral meetings, in Baku, Secretary General TVRCUN also attended the 6th Plenary Session of the PABSEC General Assembly, held on 27-28 November 2012, where he addressed the General Assembly.

SECRETARY GENERAL’S WORKING VISIT TO ALBANIA

BSEC PERMIS Secretary General Ambassador Dr. Victor TVRCUN paid a working visit to Albania, on 28-29 November 2012.

In Tirana, the Secretary General was received by H.E. Mr. Bujar NISHANI, President of the Republic of Albania. The Secretary General also met with Prime Minister H.E. Mr. Sali BERISHA and Minister of Foreign Affairs H.E. Mr. Edmond PANARI.

During the meetings, BSEC activities and projects were discussed, as well as Albania’s participation in them. Both sides expressed the need to strengthen the project capacity BSEC. The importance attached to increasing the visibility of BSEC and transforming the Organization into a more solid platform of dialogue was underlined.

BSEC SECRETARY GENERAL PAID A WORKING VISIT TO GREECE

On 11-12 October 2012, BSEC PERMIS Secretary General Ambassador Dr. Victor TVRCUN paid a working visit to Athens. He attended and delivered a speech at the 5th International Scientific Conference of Energy and Climate Change.

In his speech, Secretary General TVrcun said that since its commencement in 2008, the Conference developed into one of the most established fora in the Black Sea Region for energy and climate change issues. He stated that the Conference’s discussions, papers and publications have been valuable, providing food for thought on what BSEC could focus on to bring added value in support of the needs and interests of its Member States in spheres of energy and mitigating climate change.

The Secretary General underlined the importance attached by BSEC to regional projects that promote sustainable energy development, informing the participants that the BSEC Project Development Fund has provided 30.000 Euros to a feasibility study for a project on renewable energy sources and energy efficiency, while the BSEC-Hellenic Development Fund has been financing six projects in this area, with a total funding of 400.000 Euros.

During his visit in Athens, the BSEC Secretary General held a meeting with the Minister of Foreign Affairs of the Hellenic Republic H.E. Mr. Dimitris Avaroupoulos. The two sides exchanged views regarding current and planned BSEC activities, increasing the effectiveness of the work of the Permanent International Secretariat of the Organization, as well as the efficiency of the BSEC Business Council.
BSEC PERMIS SECRETARY GENERAL MET WITH THE MINISTER OF ECONOMIC DEVELOPMENT AND TRADE OF UKRAINE

The Secretary General of the BSEC PERMIS Ambassador Dr. Victor TVRČUN had a bilateral meeting with the Minister of Economic Development and Trade of Ukraine H.E. Mr. Petro POROSHENKO on 6 November 2012, within the framework of his working visit to Turkey.

The two sides discussed the preparations for the upcoming BSEC Chairmanship-in-Office of Ukraine which will cover the first half of 2013.

Recent developments related to the Organization and the region, as well as ongoing and planned BSEC activities were also addressed. The two sides highlighted the need to concentrate the efforts of the Member States on the harmonization of customs legislation and the legislation on the protection of foreign investments in the Black Sea region.

WORKING GROUP ON COOPERATION IN SCIENCE AND TECHNOLOGY CONVENED IN ISTANBUL

The BSEC Working Group on Cooperation in Science and Technology convened at the BSEC Headquarters in Istanbul, on 6-7 November 2012. The Working Group, which is the main subsidiary body of BSEC in the field of science and technology, considered a number of topics of importance for the BSEC Member States.

The new Plan of Action for the Working Group covering the period until mid-2014 was presented by Turkey as the Country-Coordinator of the Working Group. The Plan of Action envisions the strengthening of human resources, capacity building, research infrastructure, innovation, synergies and the support for multilateral horizontal projects, including a scheduled calendar for specific actions in the field of science and technology.

The Working Group considered ways and means of implementing the new BSEC Economic Agenda Toward an Enhanced BSEC Partnership, the work of the participants and discussed the BSEC PERMIS Agenda on “Strengthening Regional Cooperation in Scientific Research and Technology” and discussed the plan to shorten the priorities to be focused on under Goal 11 in the medium-term during the 2013-2015 period.

The Working Group also decided to elaborate its contribution to the implementation of the new BSEC Public Communication Strategy. The participants stressed the importance of organizing a Mid-term Meeting of the BSEC Ministers in charge of Science and Technology to review progress in the implementation of the second BSEC Action Plan, in conformity with the Ministerial Declaration adopted in Sofia, on 9 April 2010. The participants were informed on the latest developments concerning the implementation of the Memorandum of Intent on Science and Technology Cooperation which was signed with the Government of the United States of America in 2010, including the visit of the Secretary General of the BSEC PERMIS Ambassador Dr. Victor TVRČUN to Washington D.C., on 25 September 2012.

The cooperation of BSEC in the field of science and technology with other international organizations was also discussed. During the meeting, the representatives of the European Commission delivered a presentation on “EU International Strategy for Research and Innovation” and informed on the state of affairs of the EU Framework Program (FP7). The Working Group proposed to organize a joint BSEC-EU international event with the participation of experts, scientists and policy makers, back-to-back with the Ministerial Meeting on Science and Technology of the BSEC Member States.

GREEN ENERGY HIGH ON THE BSEC AGENDA

The meetings of the BSEC Green Energy Development Task Force and the BSEC Working Group on Energy were held at the BSEC Headquarters in Istanbul, on 12-14 November 2012.

The meetings provided the opportunity to exchange of information on the national policies of the BSEC Member States in the field of energy and on the development of projects and initiatives of regional impact.

In the meeting of the BSEC Green Energy Development Task Force on 12 November 2012, the participants agreed to proceed with the creation of a Network among the national administrative bodies and/or centres and organizations mandated to promote renewable energy sources and energy efficiency measures and policies in order to share know how and good practices among the BSEC Member States. It was decided that experts would be invited also from the BSEC Related Bodies, Observers and Sectoral Dialogue Partners as well as from relevant international organizations, institutions and NGOs to participate in this Network. The Task Force also decided to elaborate a draft BSEC Green Strategy Paper.

The possibility of holding a BSEC Conference on Investment Promotion in Green Energy with the purpose of promoting investments in the development of environmentally friendly energy technologies, renewable energy sources and energy efficiency projects was considered by the Task Force. In this context, Turkey offered to organize such a conference in 2013. The Turkish side also proposed to organize BSEC workshops on energy efficiency and renewable energy.


The Working Group considered ways and means of implementing the new BSEC Economic Agenda Toward an Enhanced BSEC Partnership. The participants addressed Goal 4 of the Economic Agenda on “Sustainable Energy and Development of the Black Sea Energy Market” and agreed to continue the discussions at its next meeting.

The Working Group members exchanged views on the possibilities of improving the investment opportunities in the energy sector in the Member States for upgrading infrastructure and promoting energy efficiency in the region. In this framework, the proposal of establishing a Regional Energy Infrastructure Fund, an idea which was first launched at the Meeting of the BSEC Ministers of Energy in 2010, in Sofia, was discussed.

In addition to the representatives and experts of the BSEC Member States, the meeting of the Working Group on Energy was attended by the representatives of the Office of the OSCE Coordinator of Economic and Environmental Activities and the Energy Charter Secretariat, who informed the participants on the activities of the said organizations in the sphere of energy security and cooperation. The participants expressed interest in developing BSEC’s cooperation with the OSCE and the Energy Charter Secretariat, as well as with other international and regional organizations and agencies in the energy field, with the purpose of identifying and implementing projects and activities of common interest.

JOINT BSEC – GIZ PROJECT “LEGAL FRAMEWORK FOR A GREEN ECONOMY WITHIN THE BSEC MEMBER STATES” SUCCESSFULLY COMPLETED

The enlarged final meeting of the Coordinating Group for the joint BSEC-GIZ German Agency for International Cooperation project “Legal Framework for a Green Economy within the BSEC Member States - Regional Review and Dialogue on Systems and Perspectives” was convened at the BSEC Headquarters in Istanbul, on 4 December 2012.

The meeting was attended by the representatives of Azerbaijan, Russia, Ukraine, chosen countries for the project, the GIZ Project Management and the BSEC PERMIS. It was stated that the project was successfully completed with all its main goals achieved. In this context, a common understanding of a Green Economy has been promoted and advanced in all three pilot countries. The existing instruments for a Green Economy were presented, including voluntary instruments such as dissemination of information, management systems and alliances between government and business organizations. Best practice examples were presented. Also, reviews of legal framework, conditions and options for creating necessary frameworks for a Green Economy with focus on energy and energy efficiency were made by the national experts of Azerbaijan, Russia and Ukraine.

The Coordinating Group was informed that in September 2012, the brochure comprising three reviews was published and forwarded to the Member States and distributed at the meetings of the BSEC Working Group on Environmental Protection, the Green Energy Development Task Force and the Working Group on Energy. The e-version of the brochure in English and Russian will be uploaded to the BSEC website.

It was unanimously noted by the participants of the meeting that there should be a follow-up to the project in two directions. In this framework, it was stated that firstly, the continuation of dialogue and the review of existing legal frameworks, in particular on energy and energy efficiency, in other intersected BSEC Member States would be useful. Secondly, it was noted that initiation of new projects focusing on the issues proposed by the representatives of the national coordinators from Azerbaijan, Russia and Ukraine would be beneficial.

As is known, the first joint project between BSEC and GIZ titled the “Legal Framework for a Green Economy within the BSEC Member States” was initiated by the Working Group on Environmental Protection and launched in June 2010. GIZ provided BSEC with a grant for the project’s implementation. In the framework of the said project, three thematic workshops were held in succession in Kiev on 17 June 2011, in Bakú on 5 September 2011 and in Moscow on 6 March 2012.
RUSSIA ACTIVELY PROMOTES BSEC COOPERATION IN EMERGENCY ASSISTANCE AS COUNTRY-CORDINATOR SINCE 2007

Natural and man-made disasters constitute one of the challenges in today’s globalized world. In this respect, EMERCOM of Russia plays an active role in promoting BSEC cooperation in emergency assistance.

At the 16th Meeting of the BSEC Council of Ministers of Foreign Affairs in Braga, in 2007, the Russian Federation was appointed as the Country-Cordinator of the BSEC Working Group on Cooperation in Emergency Assistance for the 2007-2009 period. This mandate was subsequently prolonged twice until April 2011 and June, 2013 respectively.

In this significant task, Russia adjoins to the Adopment among the Governments of the BSEC Participating States on Collaboration in Emergency Assistance and Emergency Response to Natural and Man-made Disasters signed on 15 April 1998 and its Additional Protocol, as well as at the 25th Meeting of the BSEC Council of Ministers of Foreign Affairs and the Declarations and Joint Statements of the High-level meetings of the BSEC Member States pertaining to emergency assistance.

The establishment of the Network of Liaison Officers and the development of the Modalities of its work constitutes some of the most significant milestones in the activities of the Working Group on Cooperation in Emergency Assistance. It is acknowledged by the Russian side as Country Coordinator that the initiative to set up the Unified BSEC Data Base of Emergency Means and Forces, available in the region, to be used by the BSEC Network of Liaison Officers in conformation with the specially developed forms, could be another useful step in the right direction.

Solid work has been conducted for planning and enhancing the activities of the Working Group. Two ministerial meetings in Blagoevgrad and in Sochi in 2011, as well as seven meetings of the Working Group and a number of seminars, jointexcerises, conferences and trainings have been organized during the term of Russia as Country Coordinator.

In October 2008 in Krasnaya Polyana, at the Rescue Training Center of EMERCOM of Russia, a Training Seminar was held. It was aimed to demonstrate the opportunities of practical activities of the BSEC during the provision of emergency response on a multilateral basis and to provide training for the BSEC Liaison Officers for large-scale emergency preparedness. The Seminar was arranged in the form of table top exercise.

Simulation trainings, organized by the Ministry of Emergencies of the Republic of Azerbaijan within the framework of the Ministerial Meeting in Blagoevgrad in 2009 were found informative and useful by the participants who were presented with numerous techniques of rescue operations in various typical emergency situations for the Black Sea region.

Trainings in Gurni (Armenia) in December 2008 on SAR and rescue operations to minimize the effects of devastating earthquakes were also of wide interest to the BSEC Member States. The trainings demonstrated the high level of preparedness in both terms of personnel and equipment.

The last Ministerial Meeting in Sochi in 2011 allowed to summarize the results of the activities of the Working Group in its first years.

Three new Ad-Hoc Working Groups on Seismic Risks, Marine Forest Fires and on Floods and Torrents have been established within the framework of the Working Group.

The Seminar: Issues of Emergency Response within the Framework of BSEC, held in Naples on 18-21 September, 2012, once again proved the necessity and usefulness of exchange of experiences and best practices in this sphere.

As far as the priorities of the Country-Cordinator Russia are concerned to improve the emergency assistance capacity of BSEC, some of the objectives are to speed up the process of creating the Unified Data Base, to fully operationalize the Network of Liaison Officers, to strengthen cooperation with relevant international institutions in the region, to develop collaboration with the Russian-Serbian Humanitarian Center recently established in the city of Nic which is already involved in fire-fighting and demining operations.

In addition to those priorities, taking into consideration the two flagship transport infrastructure projects of BSEC, namely the development of the Black Sea Ring Highway and the Motorways of the Sea, as the Country-Cordinator, the Russian Federation also promotes the establishment of an Emergency Ring in the region. Based on the Liaison Officers Network, such an Emergency Ring would facilitate, in the case of a disaster, early warning, timely response and impact minimization.

For that purpose, Russia, as the Country-Cordinator, advocates more sophisticated systems of early warning, more efficient political response to emergencies, joint efforts aimed at the unification of national emergency services [rescue teams, coordination centers] into one network, the training of personnel, the creation of capacities for emergency response, arranging training courses and seminars, information distribution and exchange via e-mail channels. Once these objectives are fulfilled, BSEC will achieve a more reliable emergency response system for the region.

COUNTRY-CORDINATOR RUSSIA PROMOTES COOPERATION IN TOURISM IN THE REGION THROUGH THE EFFORTS OF THE FEDERAL AGENCY FOR TOURISM

The Russian Federation in its capacity of the Country-Cordinator of the BSEC Working Group on Cooperation in Tourism, having represented through the activities of the Federal Agency for Tourism, has shown great interest in the development of mutually beneficial interaction and joint projects among the BSEC Member States in the sphere of tourism.

Two meetings of the BSEC Working Group on Tourism were held in Russia on 11-12 July 2013 in Moscow and on 28 October 2013 in Belandik, Krasnodar region. The agendas of both meetings included several current issues, including the implementation of cultural tourism projects, the institutional framework of tourism cooperation in BSEC, tourism cooperation spheres (maritime, balneology and wellness etc.), participation in tourism events and fairs held in the BSEC Member States and the modalities to improve the implementation of new projects.

In its capacity as the Country-Cordinator of the Working Group on Cooperation in Tourism, the Russian Federation attaches great importance to the integration of the universal community of the Black Sea region in export training in the sphere of tourism. The implementation of this project will contribute to the creation of favorable conditions for the education and training of high-skilled staff for the tourism and recreation industries.

Russia has already presented a network model of educational and scientific cooperation within the International Universities Consortium on staff training in the field of tourism.

In October 2011, the Federal Agency for Tourism of the Russian Federation organized an international conference on “The Russian Approach to Promote BSEC Tourism” in bratsk. During the two-day event, more than 150 participants discussed and presented investment projects in tourism, exchange opinions on trends in the development of tourism around the world, the creation of a common tourism area in the Black Sea region, human resources development in the BSEC Member States and other related issues.

Russia, as Country-Cordinator, has shown keen interest to generate ideas to further develop tourism in the Black Sea region, which possesses a huge potential for growth in tourism infrastructure. In this context, Russia stresses that it is necessary to organize various events in order to elaborate and promote competitive tourist products of the BSEC Member States at the international level.

In the light of the increase in the number of international arrivals to the region, the Federal Agency of Tourism of Russia also promotes the improvement of the quality of tourist services through modernizing educational programs.

BSEC-EU RELATIONS DISCUSSED IN BRUSSELS

An informal meeting of the BSEC Troika in an open format with the COEST Working Party and Working Party on Eastern Europe and Central Asia of the EU Council of Ministers was held in Brussels, on 7 December 2012.

The representatives of BSEC and EU Member States, as well as the BSEC PERMS, the European Commission and the European External Action Service participated in the meeting. It followed the second meeting of the BSEC Troika in open format with the COEST Working Party this year, after the previous one which was held in February 2012.

The state of play of BSEC after the BSEC 20th Anniversary Istanbul Summit, the implementation of the new BSEC Economic Agenda Towards and Enhanced Partnership, the Black Sea Synergy and future EU cooperation in the Black Sea region as well as possible synergies between EU activities were discussed.

The BSEC PERMS Secretary General Ambassador Dr. Victor TVIRJUN underlined the importance of the participation of the European Commission experts in the meetings of some of the BSEC Working Groups. He also proposed to organize joint BSEC-EU meetings at the expert level for the elaboration of possible synergies between EU activities and the implementation of the new BSEC Economic Agenda. The Secretary General proposed, inter alia, to hold one of the next BSEC-COEST meetings at the Haula/loura airport of BSEC in Istanbul, which was welcomed by the members of the COEST Working Party.

The Representative of the European External Action Service as well as the experts from some Directorates General of the European Commission expressed positive approaches to discuss inter-regional development issues in concrete fields of cooperation. In particular, transport, maritime affairs, environment, education (Erasmus programmes, Black Sea Colleges), cross-border cooperation, science and technology and tourism were identified as areas in which linkages could be built between the implementation of the BSEC Economic Agenda’s Goals and the activities of the EU.

In Brussels, the BSEC PERMS Secretary General Ambassador Dr. Victor TVIRJUN also held bilateral meetings with Stefan FÜLE, European Commissioner for Enlargement and Neighborhood Policy and Vassilis ASIAMIS, Deputy Head of Cabinet of Mr. Androulla VASSILIADOU, Commissioner for Education, Culture, Multilingualism and Youth. BSEC activities and prospects for BSEC-EU cooperation were discussed during these meetings.

As is known, the Commission of the European Union is an Observer in BSEC since June 2007. A Special Meeting of the Council of the Ministers of Foreign Affairs of the BSEC Member States, with participation of the EU Presidency and the European Commission, was held in Kiev on 14 February 2008, during which a Declaration on an enhanced BSEC-EU relationship was adopted. The Declaration expressed the belief that interaction between BSEC and the EU should be further institutionalized and result-oriented and invited the EU to join the efforts of BSEC in the priority areas, specifying among such areas enhancing energy security and environmental sustainability in the region. A partnership in the area of environment was launched in 2010 within the framework of the Black Sea Synergy, while partnerships in transport and energy would be considered.

The BSEC PERMS Secretary General Ambassador Dr. Victor TVIRJUN held a bilateral meeting with Stefan FÜLE, European Commissioner for Enlargement and Neighborhood Policy, on 7 December 2012, in Brussels.
THE UNITED NATIONS FIFTH GENERAL ASSEMBLY ADOPTEO RESOLUTION ON UN-BSEC COOPERATION

In addition to the BSEC Member States, some BSEC Observers, Sectoral Dialogue Partners and other states also co-sponsored the resolution.

Turkey, holding the BSEC Chairmanship in Office, introduced the Draft Resolution to the General Assembly. Dr. Vıctor TVRCUN, Secretary General of the BSEC PERMS, addressed the UN General Assembly in New York on the occasion of the adoption of the Resolution. In his statement, Secretary General TVRCUN reviewed some of the most important developments since the adoption of the last UN General Assembly Resolution on UN-BSEC Cooperation in December 2010. He also reiterated the commitment of BSEC to further enhance the fruitful relations with the UN and its specialized agencies which have produced concrete projects of common interest.

BSEC is committed to promoting practical and result-oriented cooperation in areas of common interest with the UN specialized agencies and programs, in particular, the UN Development Programme (UNDP), UN Economic Commission for Europe (UNECE), UN Office on Drugs and Crime (UNODC), UN Environment Programme (UNEP), UN Industrial Development Organization (UNIDO), UN Environment Programme (UNEP), Food and Agriculture Organization of the UN (FAO), World Wildlife Fund (WWF) and the World Health Organization (WHO), as well as the World Bank and the World Tourism Organization (UNWTO), aimed at promoting sustainable development in the Black Sea region. The continued implementation of the Black Sea Trade and Investment Promotion Program (BSECIP) in the first partnership project between BSEC and the UNDP launched in 2006, represents a good example of concrete cooperation between the two organizations. The BSECIP aims to develop trade and investment linkages among the BSEC Member States, with the direct participation of the business communities of the BSEC countries, through identifying the untapped potential in the BSEC region, organizing sector-focused events and partnership fora and other trade and investment promotion events, as well as supporting networking mechanisms among the business communities in the region.

In the light of the importance attached by BSEC to the efforts to rehabilitate, protect and preserve the environment in the Black Sea region and to increase public awareness in this direction, including through informing and educating the children and youth, the “Black Sea Box” education kit was introduced in 2010 in the framework of the “Every Drop Matters” project, supported jointly by BSEC, UNDP and WWF, comprised of teaching materials related to the protection of the Black Sea environment. The Black Sea Box is set to be introduced to classrooms across the BSEC Member States at the primary and secondary school levels.

The fruitful cooperation between BSEC and the UNODC has resulted in the adoption of a “BSEC Regional Action Plan for Strengthening the Criminal Justice Response to Trafficking in Persons in the Black Sea Region” within the framework of the joint BSEC-UNODC project in 2008. The multitasked cooperation between BSEC and the UNODC, which has developed particularly strong in the area of transport, within the framework of the Cooperation Agreement signed between the two organizations in 2001, BSEC also attaches special importance to its 2002 Cooperation Agreement with UNEP and the 1997 Relationship Agreement with UNODC. Cooperation between BSEC and the UNODC International Centre for Hydrogen Energy Technologies has been established with an emphasis on energy and environment.

Also, BSEC has become a member of the Group of Friends of the United Nations Alliance of Civilizations (UNA-CIV) in 2009 in order to contribute to the fulfillment of the objectives of the UNA-CIV through promoting understanding and dialogue and fostering cross-cultural exchange and cooperation.

COMMUNICATION OFFICERS OF THE BSEC MEMBER STATES MET IN ISTANBUL

Following the adoption of the BSEC Public Communication Strategy by the Council of Ministers of Foreign Affairs on 11 June 2012, in Belgrade, BSEC Member States have appointed Communication Officers to be their contact point for the implementation of the Strategy. In this framework, the first Coordination Meeting of the Communication Officers of the BSEC Member States for the Implementation of the BSEC Public Communication Strategy was held at the BSEC Headquarters in Istanbul, on 15 October 2012.

During the meeting, the representatives of the BSEC PERMS presented information regarding key initiatives being taken by the BSECIP to implement the new Strategy. In addition to the Communication Officers and other representatives of the Member States as well as the representatives of the BSEC PERMS and the BSEC Related Bodies, three renowned communication experts from Turkey attended the Meeting as guest speakers.

The participants attended an intensive training programme composed of conferences and other activities and events on a wide array of topics in Ankara and Istanbul. The programme also included excursions. In Istanbul, the participants paid a visit to the BSEC Headquarters, during which they were given an overview of the activities and projects of BSEC and developments related to the region by the BSEC Secretary General Ambassador Dr. Vıctor TVRCUN, First Deputy Secretary General Ambassador Ayşe ERDOĞDU and Deputy Secretary General Ambassador Traian CHEIELIU, followed by an interactive discussion and a working lunch hosted by the BSEC PERMS.

In this context, presentations were made by Dr. Özug BAKIROĞLU, Founder and Senior Consultant of Anara (Search) Participatory Consulting Ltd.; Mrs. Vak¨ rapes ÖZER, Journalist, Writer, Founder and CEO of Industry Ltd.; and Mrs. Tâmucu TUECELAN, Journalist, Advisor to Doğan Group, regarding experiences and best practices in the implementation of communication strategies of organizations.

Following the presentations, a roundtable discussion took place. In order to provide food for thought for the BSEC Working Groups, the participants shared ideas and concrete proposals regarding the implementation of the BSEC Public Communication Strategy and increasing the visibility of BSEC. In their proposals, they also benefited from the ideas voiced out during the roundtable discussion. The said list of proposals is expected to be considered by the relevant BSEC Working Groups during their upcoming meetings in 2013.

The participants of the 2nd Training Programme for Junior Diplomats from BSEC Member States visited the BSEC Headquarters in Istanbul, on 30 November 2012.

On 7-16 June 2010, the Ministry of Foreign Affairs of the Republic of Turkey organized a 10-day Training Programme for Junior Diplomats from the BSEC Member States, which constituted the first of its kind organized by a Member State. It included seminars, events and excursions in Ankara, Cappadocia and Istanbul.

2nd TRAINING PROGRAMME FOR JUNIOR DIPLOMATS FROM BSEC MEMBER STATES ORGANIZED BY TURKEY
GREEN MARKETS AND AGRO-LOGISTICS FORUMS ORGANIZED IN THE FRAMEWORK OF THE BLACK SEA TRADE AND INVESTMENT PROMOTION PROGRAMME

Two special fora on Green Markets and Agro-Logistics were organized within the framework of the joint BSEC-UNDP initiative titled the Black Sea Trade and Investment Promotion Programme (BISTIP), on 23 November 2012, in Istanbul, at the Istanbul Congress Center. Both events were organized as part of the Southeast Europe Business Forum.

The first event, titled “Enabling Green and Inclusive Markets in the Black Sea Region Forum,” was dedicated to presentations and panel discussions with key experts and practitioners from the field, with the participation of entrepreneurs, corporations, investors, and banks, national and local authorities, NGOs, and business support organizations as well as the international development community.

The main objectives of the Forum were to promote locally-led green and inclusive businesses and their contribution to foster low carbon and climate resilient economies in the Black Sea region and to publicly launch the Black Sea Climate & Business (CLIMBIZ) Initiative, implemented by the UNDP, in partnership with BSEC. CLIMBIZ is a sub-programme of the BISTIP and is co-funded by the Austrian Development Cooperation and the BSEC Project Development Fund. CLIMBIZ aims to promote climate change policy development at the regional level as well as to enhance leadership and promote business solutions to meet the very real challenges of climate change and inclusive green growth on the ground.

The Forum covered topics such as the Black Sea Climate and Business Initiative, Green and Inclusive Entrepreneurship and Incubation, Green Growth and Corporate Sustainability, and Green Finance, Trade, and Investment.

The second BISTIP event held on 23 November 2012, was the Agro-Logistics Business Forum. Companies and government authorities involved in the agro-logistics supply chain from the 12 BSEC members, namely, Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Serbia, Turkey, and Ukraine attended the Forum.

The primary objective of the Forum was to provide a venue for business representatives from specific industries to network and identify potential partners. The Forum provided the opportunity for business collaboration at the cross-country level, as well as to showcase technology and services related to agriculture logistics; offer solutions for companies that seek to respond to the increasing market demand; and provide information about best transportation service providers and logistics companies.

The Forum included technical presentations, followed by a business-to-business matchmaking event with the participation of companies arranged on the basis of prior screening to identify new clients and international partners, potential joint-ventures and as well as to discuss investment opportunities. As is known, BISTIP is the first joint project between BSEC and the UNDP. It was launched in December 2008. It is co-financed by the Governments of Turkey and Greece, BSEC and the UNDP.

Although it was launched jointly by public organizations, BISTIP is essentially a private sector driven initiative. It aims to develop trade and investment linkages among the BSEC Member States, with the direct participation of the business communities of the BSEC countries, through identifying the untapped potential in the BSEC region, organizing sector-focused events and partnership fora and other trade and investment promotion events; as well as supporting networking mechanisms among the business communities of the region. The target beneficiaries of the BISTIP are enterprises, particularly small and medium-sized ones, in the BSEC Member States.

An important element of the BISTIP is that it also aims to advocate responsible investments through promoting the adoption of the principles of the UN Compact in the BSEC region. By increasing awareness of these principles, the BISTIP strives to strengthen the business environment and the investment approach in the BSEC Member States, in line with the highest international standards.

After the launching of the BISTIP, BSEC and UNDP signed an Agreement on Cooperation in 2007, in Istanbul, in order to pave the way for stronger cooperation between the two Organizations.

For more information on the BISTIP, please visit www.undpforblacksea.org.

ICT COOPERATION WITH BSEC OBSERVERS AND SECTORAL DIALOGUE PARTNERS GROWS STRONGER

ICT cooperation with BSEC Observers and Sectoral Dialogue Partners has lately drawn increased interest through various joint events. In this framework, following the Joint BSEC-Korea ICT Program in Seoul on 24-30 September 2011, the Government of the Republic of Korea, as a Sectoral Dialogue Partner of BSEC, has organized thematic workshops on e-government in Armenia, Azerbaijan and Romania.

France, on the other hand, as a BSEC Observer, organized a seminar jointly with BSEC and the Black Sea Broadcasting Regulatory Authorities Forum (BRAF) on “New Audiovisual Broadcasting Technologies and the New Economic Models Arising from Them” on 3 December 2012, at the BSEC Headquarters in Istanbul. During the BSEC-France-BRAF Seminar, participants made presentations and discussed different aspects of the present state of affairs, including the legal, technical and financial aspects of the analogue to digital switchover. Participants also exchanged experiences and best practices and addressed the opportunities for cooperation.

DIRECTOR-GENERAL OF FAO VISITS BSEC HEADQUARTERS

BSEC PERMS Secretary General Ambassador Dr. Victor TVRCUC met with José Graziano da SILVA, Director-General of the Food and Agriculture Organization (FAO), who paid a working visit to the BSEC Headquarters in Istanbul, on 12 September 2012.

During the meeting, BSEC-FAO relations were discussed. Both sides expressed willingness to explore possibilities for concrete cooperation in different spheres related to agriculture, in addition to the ongoing cooperation regarding the preparations of the pilot project on promoting risk assessment of food hazards at the country level and strengthening the analytical capacity of national laboratories in the BSEC Member States. The Director-General of FAO, José Graziano da Silva expressed that FAO would be ready to provide training and capacity building courses to the BSEC Member States.

The two sides agreed to start working on the preparations of a draft Memorandum of Understanding to deepen and diversify the cooperation between the two organizations.

As is known, agriculture is one of the spheres of cooperation in BSEC. In the framework of the vast agricultural potential of the Black Sea region and the wide ranging prospects it offers for agro-industry business, the BSEC Working Group on Agriculture and Agro-Industry was established in 1993.

In 2011 in Moscow, for the first time, a Meeting of the Ministers of Agriculture of the BSEC Member States was held. A joint declaration was issued following this meeting. The Joint Declaration depicts a concise and ambitious road map to enhance BSEC cooperation in the field of agriculture. The document envisages a review of the opportunities for the simplification of export and import procedures for agricultural products among the BSEC Member States, which can be a crucial factor for the transport of fresh fruits and vegetables where delays can easily lead to the decay and spoiling of the goods. Furthermore, it anticipates cooperation among the Member States’ national genetic banks of plants to secure biodiversity.

One of the 17 spheres in the new BSEC Economic Agenda is titled “Food Security and Safety” and is devoted to cooperation in the field of agriculture.

BSEC PARTICIPATES IN THE MINISTERIAL MEETING OF THE UN ALLIANCE OF CIVILIZATIONS

BSEC PERMS Secretary General Ambassador Dr. Victor TVRCUC attended the Ministerial Meeting of the Group of Friends of the United Nations Alliance of Civilizations (UNAOC) which was held on 28 September 2012, in New York. The meeting took place on the sidelines of the 67th Session of the United Nations General Assembly general debate.

In his statement, Secretary General TVRCUC underlined the importance that BSEC attaches to the efforts of the UNAOC for the improvement of respect, understanding and cooperation among nations and peoples of different cultures and religions and for countering the forces that fuel polarization.

Secretary General TVRCUC highlighted that 10 of the 12 BSEC Member States are at the same time members of the UNAOC Group of Friends and that 5 of those 10 countries have developed national strategies to implement the recommendations in the High Level Group Report at the national, regional and local level.

The Secretary General stated that as a regional intergovernmental economic cooperation organization, the activities and projects of BSEC conducted within the framework of its Working Groups on Culture, Tourism and Education contribute to the goals of the Alliance and reiterated the invitation extended to the UNAOC to participate, as a guest, in the meetings of the BSEC Working Groups on Culture and Education as well as in other relevant meetings organized at the Ministerial level.

BSEC is a member of the Group of Friends of the UNAOC since 2009.
BSEC-JAPAN CONSULTATIONS HELD IN TOKYO

The Secretary General of the BSEC PERMIS Ambassador Dr. Victor Trifonov paid a working visit to Tokyo, Japan, on 14-16 November 2012. During his visit, the Secretary General met with H.E. Mr. Toshiyuki KATO, Parliamentary Vice-Minister for Foreign Affairs, as well as other representatives of the Ministry of Foreign Affairs of Japan.

The two sides discussed current relations and prospects for future cooperation between BSEC and Japan, including the ongoing preparations regarding the upcoming Fourth “Japan - Black Sea Area Dialogue” to be held on 20-21 February 2013, in Tokyo. The Secretary General informed his counterparts of the main activities of BSEC, the priorities of the Chairmanship-in-Office, the content of the newly adopted BSEC Economic Agenda Towards an Enhanced BSEC Partnership and BSEC's relations and joint activities with its Observers and Sectoral Dialogue Partners.

During the meetings, a common understanding was reached that the BSEC and Japan will focus their future cooperation activities mainly in the areas of environment, transport and energy which were identified as spheres of common interest.

In Tokyo, the Secretary General also held meetings with the representatives of the Global Forum of Japan, Japan Forum on International Relations, Japan Business Federation and Japan International Cooperation Agency. A meeting was held with the Study Group on “Japan Black Sea Area Relations” where the Secretary General made a presentation on the “Future of Black Sea Area and Role of Japan.” The Study Group on “Japan Black Sea Area Relations” was established in September 2012 within the Global Forum of Japan for the purpose of giving organizational support for the preparations of the “Japan - Black Sea Area Dialogue” as well as to contribute to strengthening Japan-Black Sea Area relations.

The Secretary General also attended the “Diplomatic Round Table” organized by the Japan Forum on International Relations where he delivered a statement on BSEC activities and BSEC-Japan relations.

BSEC-QATAR COOPERATION OPPORTUNITIES DISCUSSED

The Secretary General of the BSEC PERMIS Ambassador Dr. Victor Trifonov paid a working visit to the State of Qatar, on 9-11 December 2012. In Doha, the Secretary General was received by H.H Sheikh Hamad Bin Khalifa Al Thani, the Amir of the State of Qatar. The Secretary General also had bilateral meetings with the Prime Minister and Minister of Foreign Affairs H.H. Sheikh Hamad Bin Jassim Bin Jabir Al Thani, President of Qatar Foundation Dr. Mohammad Fathy Saoud, Board Member of the Qatar Chamber of Commerce and Industry and Secretary General of the Business Council Mr. Mohammad Bin Ahmed M. Al Obaidly, Business Owners Union Manager Mr. Sadeq Muhammad Al Ahmad, Chief Executive Officer of HSBC in Qatar Mr. Abdul Hakeem Mostafalw, and Chairman and Managing Director of Hassad Food Mr. Nassir Mohammed Al Fuhaid Al Hayji.

During the meetings, the ongoing and planned BSEC activities and projects as well as the possibilities for cooperation between BSEC and Qatar were discussed. It was agreed by the two sides that it would be useful to organize meetings between the BSEC PERMIS and Qatar Foundation in the nearest future in order to discuss various project ideas. The two sides also decided to organize a joint meeting with the participation of the executives of the BSEC Business Council, Qatar Chamber of Commerce and Industry and Qatar Business Owners Union in the first half of 2013.

GOLDEN BRUSHES FROM THE BLACK SEA AND BEYOND EXHIBITED AT THE DOLMABAHCE PALACE

On the occasion of the BSEC 20th Anniversary Summit hosted by Turkey, works of art by the golden brushes of the twelve countries of the wider Black Sea region were exhibited under the auspices of H.E. Abdullah Gul, President of the Republic of Turkey, for the art enthusiasts at the Dolmabahce Palace, in Istanbul. Between 26 June-5 July 2012, the works of artists from Albania, Azerbaijan, Armenia, Bulgaria, Georgia, Greece, Moldova, Romania, Serbia, Turkey and Ukraine, representing different periods and schools, who have left lasting traces on the art of painting, were viewed by more than 30 thousand Turkish and foreign visitors. The exhibition titled “Golden Brushes from the Black Sea and Beyond” was organized jointly by the Ministry of Foreign Affairs of the Republic of Turkey, the BSEC PERMIS, the Dolmabahce Palace, the Saip Sabanci Museum and Akfin Holding. While the exhibition underlined the deeply-rooted and rich tradition of art and culture that is a part of the shared identity of the region, it also aimed to emphasize the unifying role of this tradition among the countries and peoples of the region which has undergone political and socio-economic turmoil during different periods of history.

BSEC PROJECT DEVELOPMENT FUND (PDF)

This Steering Committee of the BSEC Project Development Fund elaborated possible mechanisms which could assure the replenishment of the Fund with sustainable sources of financing and proposed some options in this regard.

The Steering Committee also approved the Final Report of the accomplished project “Technology Transfer Network for BSEC Region”, presented by partners from Armenia, Greece and Romania. Furthermore, the Committee welcomed the work done by the UNDP on the on-going project “Introducing Climate Change in the Environmental Strategy for the Protection of the Black Sea” and took note of the Mid-Term Report of the project “Literary Ark Ten Years Later.” Recommendations were made with regard to the follow-up of the said reports. More information on the PDF is available at www.bsecprojects.com.

BSEC HELLENIC DEVELOPMENT FUND (BSEC-HDF)

Progress has been achieved in projects that are under implementation with financial support from the BSEC-Hellenic Development Fund, within the framework of the Call for Proposals on Renewable Energy Sources and Energy Efficiency.

In this context, the project for an Energy Smart School in Istanbul has completed the installation of two photovoltaic systems which are already functioning by producing solar energy. Furthermore, the partners in the project for the development of two energy efficient schools in Baku have procured the solar energy equipment and will soon be installed on the buildings. Also, the International Centre for Black Sea Studies (ICBSS) network “Green Cluster of Knowledge Institutions of the Black Sea” has been formally established with twenty-one members from the academic and research communities.

More information on the BSEC-HDF is available at www.bsecprojects.com or by sending an e-mail to kzaemis@bsec-hdf.org.

The Kaizen-Marasah School in Istanbul where a solar panel system has been installed at the roof and a “Solar Tree” in the school’s yard in the framework of the “Energy Efficient Smart School” project funded by the BSEC-HDF. The Solar Tree is intended to promote the use green energy among students, staff, parents and visitors.
**PARLIAMENTARY ASSEMBLY OF THE BLACK SEA ECONOMIC COOPERATION (PABSEC)**

### 40th PLENARY SESSION OF THE PABSEC GENERAL ASSEMBLYHELD IN BAKU

The 40th Plenary Session of the PABSEC General Assembly was held in Baku on 26-28 November 2012 upon the invitation of the Milli Majlis of the Republic of Azerbaijan. The Plenary Session was opened by H.E. Mr. Dzhafar Aliyev, PABSEC President, Chairman of the Milli Majlis of the Republic of Azerbaijan, who also presented the message of the President of the Republic of Azerbaijan, H.E. Mr. Ilham Aliyev. The message of the BSEC Chairman-in-Office was presented by BSEC PERMIS Secretary General Ambassador Dr. Victor Tsurun.

The General Assembly was attended by the national delegations of Albania, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Serbia, Turkey and Ukraine. The President of the National Assembly of the Republic of Bulgaria, H.E. Ms. Tsetska Tsacheva, and the Speaker of the Grand National Assembly of Turkey, H.E. Mr. Cemil Cikak, attended the meeting as Special Guests.

BSEC and its Related Bodies were represented by the Secretary General of the BSEC PERMIS and the Secretary General of the Black Sea Trade and Development Bank. Among observers and guests were representatives of the National Assembly of the Republic of Armenia, the National Assembly of the Republic of Belarus, the European Parliament, the Parliamentary Assembly of the Council of Europe, the Parliamentary Assembly of the Mediterranean, the Parliament of Bulgaria and the Child. The theme of the General Debate was "The role of the BSEC in promoting economic, environmental and social development". The Assembly conducted debates on the Draft Reports and Recommendations drafted by the PABSEC specialized Committees during the last two sessions. The Draft Report on "The role of public-private partnership for sustainable economic development in BSEC Member States" was adopted unanimously. The Assembly adopted Recommendations on the subjects addressed to the Parliaments and Governments of the Member States and to the Organization of the BSEC. The participants also reviewed the results of the meeting of the Council of Ministers of Foreign Affairs of the BSEC Member States, held on 11 June 2012, in Belgrade.

The members of the Assembly adopted the Declaration on the 20th Anniversary of the Parliamentary Assembly of the Black Sea Economic Cooperation. The members elected Mr. Dimitar Atanasov, Head of the Bulgarian PABSEC Delegation, as PABSEC Vice-President for a term of two years till 2016 and Ms. Ekatetha Sobolevska-Papakosta as the PABSEC Vice-President in charge of Financial Matters, till June 2013. The Assembly also elected Mr. Hasan Baykin (Turkey) as the PABSEC Deputy Secretary General in charge of Administrative and Financial Matters for the term of three years starting from 13 December 2012. The Assembly granted the Observer Status with the PABSEC to the Parliamentary Assembly of the Turkic-Speaking Countries (TURKPA).

Concurrently with the PABSEC General Assembly, the “Black Sea Trade and Investment Forum - 3 Baku 2012” was organized by the Confederation of Businessmen and Industry Associations of the Black Sea region, business circles, parliamentarians and government representatives from the Black Sea region.

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**PABSEC ECONOMIC, COMMERCIAL, TECHNOCAL AND ENVIRONMENTAL COMMITTEE ADDRESSED THE ROLE OF PUBLIC-PRIVATE PARTNERSHIP FOR SUSTAINABLE ECONOMIC DEVELOPMENT**

The 39th Meeting of the Economic, Commercial, Technological and Environmental Committee was held in Ankara on 17-18 September 2012 and was chaired by Mr. Dagip Minaşyan, Chairman of the Committee (Armenia). Mr. Rasul Dogru, member of the Committee (Turkey), presented a Draft Report on the "The role of public-private partnership for sustainable economic development in BSEC Member States", while the Draft Report on the same subject was presented by Mr. Dagip Minaşyan.

The Report point out that despite the rapid development of market relations in the BSEC countries, mass privatization and a write-off of the economy, the participation of government in the management of enterprises remains significant. The forms of state participation in the activities of enterprises in the last years have changed considerably. The authors have shifted towards the second-stage participation in the management shareholder—societies through the ownership of the package actions in the authorized capital, which often depends on the need for public policy in the management of social or country strategically important enterprises. The Draft of Report and Recommendation on "The role of public-private partnership for sustainable economic development in BSEC Member States" was adopted unanimously. The members of the Committee elected Mr. Rasul Dogru (Turkey) as Vice-Chairman of the Committee, for a two-year term until September 2014.

The 40th Meeting of the Committee will be held in Odessa, on 10-11 April 2013. The main topic of the agenda will be "Development of cooperation in Salvage and Rescue (SAR) among the BSEC countries," Mr. Dimiter Ivanov, Head of the Bulgarian PABSEC Delegation, was designated as Rapporteur.

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**PABSEC LEGAL AND POLITICAL AFFAIRS COMMITTEE CONVENED IN ATHENS TO DISCUSS THE ROLE OF PARLIAMENTS IN ENSURING CYBER SECURITY**

The 40th Meeting of the PABSEC Legal and Political Affairs Committee was held in Athens on 17-18 October 2012 upon the invitation of the Hellenic Parliament. The participants discussed the Draft Report and Recommendation on "The Role of Parliaments in Ensuring Cyber Security in the BSEC Member States".

Cyberspace security is one of the most important components of national security. Electronic information is a digital infrastructure, a strategic resource and an essential component of the digital economy, which is a strategic strategic resource and an essential component of the digital economy, which is a strategic resource and an essential component of the digital economy. The participation of the BSEC countries in the management of enterprises remains significant. The forms of state participation in the activities of enterprises in the last years have changed considerably. The authors have shifted towards the second-stage participation in the management shareholder—societies through the ownership of the package actions in the authorized capital, which often depends on the need for public policy in the management of social or country strategically important enterprises. The Draft of Report and Recommendation on "The role of public-private partnership for sustainable economic development in BSEC Member States" was adopted unanimously. The members of the Committee elected Mr. Michael Numilainen (Rusial) as Vice-Chairman of the Committee for a two-year term starting from October 2012. The 41st Meeting of the Committee is to be held in Brussels on 24 April 2013. The main subject on the Agenda will be "PABSEC in the Wider Black Sea Region. Twenty Years of Regional Cooperation" and the Rapporteur will be Mr. Hoshinami Margaryan, Member of the Committee (Armenia).

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**PABSEC CULTURAL, EDUCATIONAL AND SOCIAL AFFAIRS COMMITTEE FOCUSED ON SOCIAL WELFARE REFORMS**

The 39th Meeting of the PABSEC Cultural, Educational and Social Affairs Committee was held within the framework of the 39th PABSEC General Assembly in Baku on 26 November 2012. The main subject on the Agenda was "Social welfare reforms in the BSEC Member States". Ms. Ljudmila Gvojnovic, Deputy Head of the Ukrainian PABSEC Delegation, was the Rapporteur.

In recent years, BSEC Member States have embarked upon large-scale social welfare reforms either by developing and extending existing schemes or by introducing new ones. Numerous measures have been taken by all countries in order to face urgent social needs created by the international economic crisis. The current economic and social circumstances call for intensive efforts, among which regional cooperation in the field of social policies could be of great value. Constant interaction on social issues in the BSEC framework could be a means of deepening the existing cooperation and of contributing to building confidence among the peoples of the region.

The members of the Committee elected Mr. Nai Simion Pasca (Moldova) as Vice-Chairman of the Committee for a two-year term starting from November 2012. The 40th Meeting of the Committee will be held in Chisinau, on 26-27 March 2013. In Chisinau, the Committee will focus on the "Benefts and perspectives of cooperation at the postgraduate level among universities of the BSEC Member States." Mr. Nai Simion Pasca, Vice-Chairman of the Committee, was designated as Rapporteur.
A BSTDB delegation headed by President Andrey Konadakov paid a working visit to Kyiv to promote the Bank’s activities in Ukraine and to discuss the implementation of the BSTDB medium-term strategy and business plan for 2011-2014 with Ukrainian authorities. The delegation met H.E. Mr. Petro Poroshenko, Minister of Economic Development and Trade and BSTDB Governor for Ukraine, Mr. Valery Matysyuk, Deputy Minister of Economic Development and Trade, Mr. Sergey Rybak, Deputy Minister of Finance, and senior officials at the National Bank of Ukraine. BSTDB discussed cooperation opportunities with Mr. Alexander Sugarkov, President of the Association of Ukrainian Banks and made a presentation for the Ukrainian business community at the Chamber of Commerce and Industry.

Ukraine ranks third in the BSTDB portfolio accounting for 16% of the Bank’s signed operations. BSTDB operational priorities in Ukraine include supporting manufacturing, infrastructure, institutional and business cooperation developed between BSTDB and DeMe, which has Observer Status with BSTDB since 2008. BSTDB administers a Technical Assistance Fund provided by DeMe to finance consultancy services for project preparation and professional training in the BSTDB member countries.

BSTDB President and Secretary of the International Business Forum in Istanbul

BSTDB President and Secretary of the International Business Forum organized by the Union of Chambers and Commodity Exchanges of Turkey (TOBB) on the occasion of its 60th Anniversary in Istanbul on September 12-13, 2013.

The BSTDB President addressed the Forum’s audience of about a thousand businessmen and state officials from 88 countries. He elaborated on the Bank’s increasing contribution to the private sector development in the Black Sea region.

BSTDB Concludes the 2012 Annual Meeting of the Board of Governors in Yerevan

BSTDB Board of Governors held its 14th Annual Meeting under the Chairmanship of Mr. Arthur Jawayan, BSTDB Governor for Armenia and Chairman of the Central Bank of the Republic of Armenia.

The Board of Governors approved the Bank’s Annual Report and financial statements for the year 2011 showing a net profit of EUR 10,1 million despite the continuing global uncertainties. Board approvals during 2011 reached EUR 392 million, an increase of 67% over the previous year.

The Board of Governors reaffirmed the commitment of the Member States to the regional development mission of BSTDB, and stressed the need to diversify its funding sources to complement shareholders’ capital payments.

The Board elected the Governor for the Republic of Azerbaijan as the new Chairman for a period of one year until the next Annual Meeting to be held in Baku on 9 June 2013.

IFIs and Private Sector Synergies Strengthen Development

A joint report produced by 31 multilateral and bilateral development institutions on their cooperation with the private sector was presented during the Business Forum “Armenia: Opportunities for Growth and International Experiences”, organized by the BSTDB in Yerevan, on 22 June 2012.

Sharing a common goal to support development, representatives of BSTDB, EIB, a member of the World Bank Group, EBRD, KfW (Germany), and Vneshekonombank (Russia) debated on the role of the international financial community in supporting development and employment creation.

The private sector is recognized as a critical engine for sustainable growth, poverty reduction and macroeconomic stability. International Finance Institutions (IFIs) play a significant role in catalyzing private sector involvement by encouraging entrepreneurial initiatives without burdening Governments and taxpayers. This role is becoming increasingly important for development institutions, along with traditional financing and programs provided for national governments.

The report International Finance Institutions and Development Through the Private Sector was initiated under the sponsorship of the Private Sector Development Institutions Roundtable, which is an annual meeting of the heads of IFIs focusing on private sector development, and was coordinated by IFC.

BSTDB and EIB Discuss Cooperation Opportunities

A BSTDB delegation headed by Mr. Andrey Konadakov, President met with Mr. Wolmar Hayer, President of the European Investment Bank (EIB) in Luxembourg. The parties exchanged views on the latest developments in the Black Sea region and discussed ways and means to advance their institutional and business cooperation in the common countries and EU, staff exchange and knowledge sharing. EIB has Observer Status with BSTDB as of 2008.

BSTDB Supports Mortgage Financing in Armenia

BSTDB signed a USD 8 million loan agreement with the Arshinbank for mortgage financing in Armenia. Arshinbank will use the facility, carrying a tenor of seven years, to provide residential mortgage loans to private individuals. The BSTDB financing will support the Arshinbank’s Government’s priority to develop housing and mortgage markets in the country. Enhancing Arshinbank’s mortgage lending capacity, the facility will improve the availability of affordable long-term mortgage loans for Armenia’s population.

The BSTDB loan term credit ratings of “A” from Standard & Poor’s and “A3” from Moody’s, both with a stable outlook, were reaffirmed in the annual credit analyses of the Bank issued by the rating agencies on 1 August and on 31 July 2012, respectively.

BSTDB Issues a CHF 200 Million Bond

BSTDB has issued a debut Swiss Franc (CHF) bond. The CHF 200 million, four-year unsecured bond with a coupon of 2.5% had Credit Suisse as sole arranger and attracted more than 50 investors, including asset managers, private banks and retail clients. The proceeds of this new issuance will assist the BSTDB in meeting its mandate by responding to the funding needs of its clients in the Bank’s member countries.

BSTDB and the Development Bank of Austria Cooperate to Increase Financing for the Region

BSTDB and OeEB have concluded a loan agreement for the financing of projects of mutual interest in the Black Sea region. OeEB will make available a Euro 30 million loan to BSTDB for a term of 7 years. The facility will be used by BSTDB to finance private sector projects in member countries. The loan agreement advances further the close institutional and business cooperation developed between BSTDB and OeEB, which has Observer Status with BSTDB since 2008. BSTDB administers a Technical Assistance Fund provided by OeEB to finance consultancy services for project preparation and professional training in the BSTDB member countries.

BSTDB with Partner Development Banks Support Small and Medium Enterprises in the Caucasus

BSTDB together with the International Finance Corporation, a member of the World Bank Group (IFC), European Bank for Reconstruction and Development (EBRD), and the Netherlands Development Bank (FMO) is supporting small and medium businesses in the Caucasus by investing in a new private equity fund.

BSTDB with its partner international financial institutions will initially provide $40 million to the Small Enterprises Assistance Funds (SEAF) Caucasus Growth Fund, with a target size of $70 million. The Fund is the first professionally structured and managed private equity fund in the Caucasian region to provide debt and equity capital to small and medium enterprises in Armenia, Azerbaijan and Georgia.

The Fund will invest across a range of industries, with particular focus on consumer and business services, agribusiness, distribution and retail, all of which have been largely underserved by private equity providers.

BSTDB Explored Enhanced Cooperation with KfW of Germany

Andrey Konadakov, BSTDB President and Members of the Management had a working meeting with Dr. Norbert Klöppenberg, Member of the Executive Board of KfW Banking Group, and Mr. Roland Silker, Director-South East Europe and Turkey, KfW at the BSTDB Headquarters in Thesaloniki. The parties exchanged views on the latest political and economic trends in the Black Sea region and explored options to enhance their cooperation in the Region.

KfW Banking Group has Observer Status with BSTDB as of 2016. BSTDB and KfW Group have co-financed projects and SME operations in Albania, Azerbaijan, Bulgaria, Georgia, Moldova, Romania and Turkey.

BSTDB Contributes EUR 40 Million to Financiing the New Domestic Terminal of Izmir Airport in Turkey

BSTDB, a mandated lead arranger, will provide EUR 40 million loan to finance the construction of the new domestic terminal of Izmir Airport. The BSTDB loan, signed on 10 November 2012, is part of a EUR 250 million long-term debt facility put together by BSTDB, the European Bank for Reconstruction and Development (EBRD), and commercial banks - Unicredit, Siemens Bank and DZ Bank.

The terminal will be built by TAV Ege, Turkey, which won the contract to operate the airport until 2032. Izmir is the third largest city in Turkey and a dynamic tourist and business destination with a population of 3.3 million. The new Izmir airport terminal will facilitate growing traffic, both domestic and international. It will be the most energy efficient airport in Turkey benefitting from a modern environmental management system.

TAV Airlines, the owner of the special-purpose company TAV Ege, is one of the world’s largest airport concessions companies with operations at twelve airports in six countries. The company, together with its subsidiaries, provides services to approximately 451 thousand flights and 53 million passengers in 2011.
New BSTDB Facility to Support SMEs in Azerbaijan

BSTDB made available a USD 5 million SME loan facility to Unibank in Azerbaijan. Unibank will use the facility for financing projects for modernization, capacity expansion and diversification of products and services of small and medium-sized enterprises in Azerbaijan. The term of the facility is 5 years.

This is the second SME loan facility provided by BSTDB to Unibank, after a successful completion of the first credit line in the amount of USD 5 million provided in 2008. Besides, Unibank has been utilizing a BSTDB Trade Finance Facility in the amount of USD 3 million since 2005, under which the aggregate amount of disbursements has reached USD 15.7 million.

BSTDB Supports the Construction of a Business Center in Baku

BSTDB has extended a USD 27 million loan to Domirich Development LLC, member of ASA Group, Azerbaijan to support the construction of Domirich Business Center in Baku. The maturity of the loan is seven years.

The project will address the current shortage of high-class office space in Baku. The 25-floor Domirich Business Center will offer 18,409 m2 of office area and 208 parking lots. Over 25% of the supplies for the construction are sourced from BSTDB member countries, including Turkey and Ukraine. The construction is due to be completed in 2013.

BSTDB Expands Its Trade Finance Program in Georgia

BSTDB made available two revolving trade finance facilities in the total amount of up to USD 9 million, to Kori-Standard Bank Georgia (KSBG) and to Basissbank. The Georgian banks will advance short-term sub-loans to Georgian exporting and importing companies.

The operations implement the BSTDB strategy to support the Georgian export potential and the country’s SMEs development. BSTDB’s facilities will be used for financing exports from Georgia and imports from the countries of the Black Sea region to help to increase competitiveness of the Georgian export sector, mainly SMEs, and it will promote regional trade.

BSTDB is currently cooperating with four local banks under its Trade Finance program for Georgia, which annually provides up to USD 27 million to finance Georgian exporters and importers.

BSTDB Joins Forces with IFC to Support Glass Packaging Industry in Moldova

BSTDB provided USD 3 million to Moldovan Joint Venture “Glass Container Prim”, a Joint Stock Company. The eight-year BSTDB loan will finance the expansion of the Company’s production of high quality glass containers and will help increase its competitiveness. The loan will also help restructure the Company’s debt to achieve financial stability.

The BSTDB loan is extended in parallel with a USD 10 million facility provided by the International Finance Corporation (IFC), following combined USD 14.3 million debt-equity swaps by the company’s main shareholders. The BSTDB and IFC parallel loans were agreed in the framework of the Master Cooperation Agreement signed between the two development institutions in 2010.

The operation is expected to have a high developmental impact through the transfer of modern technology, employment creation, and by supporting the economic recovery of Moldova. It will also contribute to the expansion of trade of raw materials, components and high quality glass containers between Moldova, Bulgaria, Romania, Russia, Turkey and Ukraine.

BSTDB Promotes High Quality Standards in the Romanian Dairy Production

BSTDB is providing a EUR 30 million loan to Olympus Romania, part of Tyros Group, Greece. The seven-year loan will finance the company’s investment program in the new dairy plant in Brăioș. The plant was inaugurated in November 2011 and its construction is part of Olympus Romania overall investment plan of EUR 50 million including an initial self-funded investment.

The BSTDB loan will support the Company’s investment program, enabling Olympus Romania to substantially increase its efficiency and competitiveness, and helping it comply with high environmental and quality standards for its milk, yogurt, cheese and juices produced for the Romanian market. It will also support exports to international markets, including to Bulgaria and Greece.

17th Annual Meeting of IFIs Chief Legal Officers hosted by BSTDB

In June 2012 for the first time BSTDB hosted near its Headquarters in the city of Thessaloniki the 17th Annual Meeting of Chief Legal Officers of the world’s main International Financial Institutions. Working group participants included the General Councils of four Multilateral Development Banks that hold Observer status with BSTDB, namely, the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EBI), the International Finance Corporation (IFC) and the Nordic Investment Bank (NIB). The President of BSTDB had the opportunity to address the meeting participants during the proceedings, welcoming them and wishing them success in their work.

BSTDB Hosted the 2012 Annual Meeting of the Chief Compliance Officers of the European International Financial Institutions

BSTDB hosted in its Thessaloniki Headquarters, the 2012 Annual Meeting of the European Chief Compliance Officers of the European International Financial Institutions. The group participants included representatives from the European Investment Bank, the European Investment Fund, the European Bank for Reconstruction and Development, the Nordic Investment Bank, the Council of Europe Development Bank and the Black Sea Trade and Development Bank.

Mr. Mustafa Boran, BSTDB Vice President in his opening statement stressed the importance of compliance risk management in the activities of International Financial Institutions. Compliance is a key element in protecting the organization, the principal vehicle in safeguarding the public resources and interests that support these institutions.

BSTDB Co-hosts a Workshop on Financial and Investment Aspects of the Model Highway Initiative in the Black Sea Region

The International Road Transport Union (IRU), BSEC and BSTDB organized an expert workshop to discuss the financial and investment aspects of the Model Highway Initiative. The workshop took place in Thessaloniki on 6-7 March 2012.

Representatives of national road transport authorities of the BSEC Member States, regional economic organizations and international financial institutions exchanged views on the experiences and international best practice in the development of road infrastructure, road user services, effective financial mechanism, and responsibilities of stakeholders in promoting road infrastructure development in the Black Sea Region. Participants examined in depth road infrastructure development supported directly or indirectly by the Model Highway Initiative launched by the IRU.

Orrsia Kalkantsoy, BSTDB Secretary General and Roman Matkivsky, BSTDB Director, Energy and Infrastructure contributed to the discussion emphasizing project ownership, clarity of objectives, the importance of financial and economic analysis and transparency of contracting. The identification of discrete investment projects, and alternative funding mechanisms are instrumental for attracting private investors in PPP projects, while the regulatory environment and contract details are paramount for the projects’ long term fiscal sustainability. The Bank highlighted the need for strict compliance with international procurement rules and transparency standards throughout the project cycle.

BSTDB expressed its support to the efforts being taken by IRU and BSEC to promote intergovernmental cooperation with a view to improve regional infrastructure through the Black Sea Ring Highway and Model Highway initiatives. The Bank is considering opportunities for its involvement in the identification and preparation process of projects deriving from those initiatives.

BSEC BUSINESS COUNCIL (BSEC BC)

WORKING TOWARDS FOSTERING A STRONGER BUSINESS ENVIRONMENT IN THE BLACK SEA REGION: BSEC BUSINESS COUNCIL TURNS 20

The BSEC Business Council was established 20 years ago in 1992, with the aim of lobbying and acting for the continuous improvement of the business and investment environment throughout the Black Sea region to the benefit of the local business people and to help attract foreign investors. The Business Council which has 12 member countries was founded with the initiation of Turkey. Its Permanent Secretariat is located in Istanbul.

The BSEC region, with its skilled human resources, geographical advantages, rich natural resources and strong entrepreneurial spirit, has the potential to become a key player in today’s globalized world Assuming this role for the BSEC region requires also a strong involvement from the private sector in the light of economic interdependence. While the governments can play a favorably role for businesses, it is the private sector’s task to transform these conditions into actual output. Governments can decide, for instance, to have greater trade cooperation. However, without the business community undertaking the actual trade deals and trading the physical goods and services, the governments’ efforts would not have much impact.

In countries around the world, the business communities are organized among each other. What is needed today is greater cooperation and coordination between the business communities of different countries. Business communities should not only talk “among” each other, but also “to” each other. Dialogue is the key to sustained growth and progress. In this context, the BSEC Business Council offers a unique advantage.

During its 20 years of existence, the Board of Directors of the BSEC Business Council has made numerous recommendations addressed to the governments of the BSEC Member States to strengthen today’s already favorable business environment in the region. These include the simplification or elimination of visa formalities so as to make it easier for businessmen to travel freely throughout the region, the harmonization of customs procedures is also an issue that the governments have been addressing. Improvements in transport infrastructure will have little impact if trucks remain stuck at border crossings.
Similarly, issues related to combating and eliminating corruption and strengthening the rule of law are of essence to a stable and favorable business environment. Agreements for the elimination of double taxation and safeguarding investments are also necessary. National banking structures should be encouraged to cooperate with their foreign counterparts to solve problems arising from payment difficulties and delays.

What is advocated is free and fair trade, without protectionism. That is why the BSEC Business Council is eager to see all its members according to the World Trade Organization at an early date.

The expansion of intra-regional trade in BSEC can be accelerated by speeding up the flow of information on policies, legislation, products, statistics and companies. It is in this framework that the BSEC BC has started working on establishing a data bank to be known as the Black Sea Business Information Exchange Network.

As the mandate of the BSEC Business Council is to promote cooperation among the business communities in the region, a good number of sectoral and general meetings and conferences bringing together the businessmen in the member countries have been held and will continue to be organized.

Marking the 20th anniversary of its establishment, the BSEC Business Council is ready to act as a catalyst to turn the Black Sea region into a truly integrated regional economic powerhouse through fostering new projects and activities.

On 16 October 2012, the ICSS organized a Workshop on “Black Sea Knowledge Institutions Turn Green!”. The Workshop was held within the framework of the research project “Green Cluster of Knowledge Institutions of the Black Sea: A Roadmap on Renewable Energy Sources and Energy Efficiency for Research and Academic Institutions”, which is co-funded by the BSEC. Hellenic Development Fund (BSEC-HDF) and coordinated by the ICSS, aiming at transferring know-how and at enhancing capacity building and cooperation linkages in the fields of Energy Efficiency and Renewable Energy Sources to research and academic institutions of the Black Sea countries and beyond. The Workshop aimed at further promoting the project’s outcomes and for this purpose, it successfully brought together representatives from the academic and research communities as well as, from the public and private sector.

The project’s flagship is the establishment of a Network of “Green Cluster of Black Sea Knowledge Institutions” that is committed to support regional partnership, to address the key energy challenges, to disseminate the project’s outcomes and to promote the use of renewable energy sources and energy efficiency practices in the Black Sea area. Within this framework, the ICSS, as the coordinator of the Green Cluster, is encouraging the BSEC Member States to propose to knowledge-institutions to join the Network of “Green Cluster of Knowledge Institutions of the Black Sea” in order for it to become a “living organism” for academic and research institutions in the wider Black Sea area.

On 6 July 2012, in the margin of the 5th International Black Sea Symposium, Dr. Zefi Dimadima, ICSS Director General and Dr. Tuvan Poyhjovan, Executive Director of the International Center for Human Development (ICHU) signed a Memorandum of Understanding aiming at establishing and developing cooperation between the two organizations with a view to promoting and enhancing the dialogue in fields of common interest.

On 23 July 2012, the ICSS in cooperation with the Scientific and Technological Research Council of Turkey (TÜBİTAK) organized the Final Conference of the BSEC-HDF project “Green Cluster of Knowledge Institutions of Black Sea: A Roadmap on Renewable Energy Sources and Energy Efficiency for Research and Academic Institutions”. The event which was held in Istanbul was hosted by the Turkish partners, TÜBİTAK-Marmara Research Center. Apart from the outcomes of the project that were presented by the partners, the representatives of Greek and Turkish Universities who participated in the event shared the good practices of their Universities and expressed their commitment to join the green cluster.

On 21 November 2012, the ICSS co-organized with the Center for Strategic Studies under the President of the Republic of Azerbaijan, an international Conference on “Energy Efficiency: Economic & Institutional Aspects and Perspectives,” in Baku.

On 4 July 2012, the ICSS and the International Center for Human Development (ICHU) signed a Memorandum of Understanding on 6 July 2012 to promote cooperation between the two organizations.

On 24 July 2012, the ICSS organized its 5th International Black Sea Symposium on “The Black Sea region as an influential crossroad between East and West: A path towards accession” in Athens, Greece. Fifteen young professionals from the Black Sea countries, the EU Member States and the US attended an intensive three-day course where 22 renowned international experts addressed a wide spectrum of issues, such as energy efficiency, environmental governance, security, innovation, science technology, economic relations, culture and education that currently form the framework within which many cooperation schemes and synergies have been promoted.

On 16 December 2012, the BSEC BC Board Meeting held in Istanbul, on 6 December 2012.