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**Building a Sustainable
Future for the Black Sea
area: New Perspectives &
Challenges for B.S.E.C.**

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Abstract

In accordance with the recent developments, the financial and economic crisis proved to have profound and long-lasting implications for the Black Sea area. Under these circumstances the Organization of the Black Sea Economic Cooperation (BSEC), a multilateral political and economic initiative which aims at the promotion of stability, prosperity and good-neighbourly relations in the region, had to acquire an attractive, feasible, prospect and renewed intellectual effort, in order to forward revised priorities for the countries of the Black Sea region in the difficult years to come. The strengths, weaknesses, opportunities and threats set the framework for the BSEC to enter a new phase with an overarching strategic approach under the concept of sustainable development. The priority areas which were defined by the BSEC Economic Agenda for the Future of 2001 here are revised and enhanced with twenty years of experience. Trade, energy, transport, environment, science and innovation, good governance, EU partnership are some of the significant areas for regional cooperation and the main thrust of the BSEC activities.

Keywords

Black Sea Economic Cooperation, regional cooperation, sustainable development, environmental governance, priority areas.

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Sergiu Celac, Tedo Japaridze, David Kereselidze, Zefi Dimadama and
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Introduction

The 20th anniversary, in 2012, of the Organisation of the Black Sea Economic Cooperation (BSEC) provides a unique opportunity to take stock of the achievements to date, to undertake a critical analysis of the ways in which the Organisation has been able to respond to the challenges facing the region, and to chart a realistic way forward by identifying a revised set of priorities for the next decade.

Since its adoption by the member states at the summit of Moscow on 27 April 2001, the BSEC Economic Agenda for the Future has served its purpose well by offering a comprehensive view of the region's potential for development through enhanced cooperation and by focusing on a set of priority areas for joint action.

It is fair to say that the high expectations that the countries and the peoples of the region have placed in the BSEC since its inception have been fulfilled only in part. A brief SWOT analysis reveals a mixed record of performance. The conclusions deriving from such an objective re-assessment may be instrumental for designing an agreed strategy for the next phase of the development of regional cooperation and the enhanced role of the BSEC in that process.

More to that, the recent developments, in particular the effects of the global financial and economic crisis, have brought to the fore, some conceptual and structural vulnerabilities that require not only some punctual corrective measures, but a renewed intellectual effort to offer an attractive, and feasible, prospect for the countries of the Black Sea region in the years to come.

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Strengths

- The Organisation of the Black Sea Economic Cooperation has reached a stage of institutional maturity enabling it to cope with the complex problems of multilateral interaction in a more meaningful way;
- The implementation of a number of worthy initiatives led to a strengthening of the functional and operational capacity of the BSEC institutional family, improved transparency and accountability, better coordination of various activities, and an overall increase in effectiveness;
- The international profile of the BSEC has been consolidated through the establishment of additional partnerships with other inter-governmental organisations, observer states and professional or civic associations;
- During the decade preceding the global crisis, the BSEC countries averaged one of the fastest rates of GDP growth among the world's regions, indicating the enormous potential for stable and sustainable development in the years ahead;
- There is a reasonably solid consensus of the BSEC member states that the Organisation serves a useful purpose and merits to continue its existence, provided the internal reform process is accelerated and the political commitment to pursue its goals in more concrete ways is reiterated and seriously enhanced.

Weaknesses

- The heterogeneous nature of the BSEC membership comprising states that differ significantly in terms of size and power projection capability, level of socio-economic development, systems of governance, maturity of democratic institutions, sophistication of business culture, and human development indicators;
- Fragmentation and inefficiency in all policy sectors lead to lack of economic, social and territorial cohesion. Furthermore, the environmental equilibrium of the Black Sea region is threatened by a series of challenges that have already started degrading the area's features;
- More extensive economic cooperation as the core business of the BSEC is hampered by the affiliation of member states to diverse integrative structures and by the absence of a minimal set of common rules since not all member states are, as yet, members of the World Trade Organisation or the Energy Charter Treaty, thus precluding the prospect of regional integration in a classical sense;

- The development of regional cooperation does not yet rank high on the domestic and foreign policy agendas of the BSEC member states, and the allocation of political attention and necessary resources for the proper functioning of the Organisation, including high-profile regional projects, is clearly insufficient;
- The exclusion of regional and national NGOs and organisations from cooperation schemes with the BSEC, since articles 8 and 9 of the BSEC Charter promote relationships (observer status and dialogue partnership)² with third parts (institutions, organisations etc.), only if these parties have international status.
- Opportunities
- The Black Sea area has always been an important part of the European security system and will likely retain that position in the foreseeable future;
- The very diversity of the BSEC membership should be regarded as an asset rather than a liability, providing an incentive for more creative thinking and original solutions in a renewed effort to identify points of converging interests and unremittingly to pursue them in a concerted way both inside the Organisation and in the relations with other partners;
- Environmental governance and sustainable development can be a vehicle overcoming inefficiency and fragmentation³ towards “greening” Black Sea;
- The geo-strategic position of the Black Sea area as a bridge to the emerging markets of Central Asia and the northern tier of the Middle East, and beyond that to the dynamic economies of China and the Indian subcontinent holds great promises for the future and has to be considered as a pivotal element of any forward-looking design for regional cooperation;
- The prospect of a more activist stance by the European Union in relation to the Black Sea region following the establishment of the EU External Action Service and the probable streamlined convergence of various EU initiatives and programmes for its eastern neighbourhood may offer a serious incentive for the BSEC to emerge as a preferred regional partner, provided it proves able to get its act together;

² See articles 8 and 9 of the Charter of the Organization of the Black Sea Economic Cooperation, http://www.pabsec.org/resimler/dosyalar/31bseccharter_PN_r_HRMIP.doc, (accessed October, 13, 2010).

³ Dimadama Z. and Timotheou A. (2010), “Greening the Black Sea: Overcoming Inefficiency and Fragmentation through Environmental Governance”, ICBSS Policy Brief no. 21.

- The fact that all BSEC member states are also members of the Organisation for Security and Cooperation in Europe and accept the normative framework of the Council of Europe, including the jurisdiction of the European Court of Human Rights, provide a common basis for further progress on good governance, improved performance of democratic institutions, and the rule of law;
- The revision of the BSEC's Charter, in order to permit access and cooperation with national NGOs, with a view to their valuable contribution in preparing and adopting policies;
- After two decades of incremental, though still modest, progress, the new phase of BSEC development requires an overarching strategic approach. The concept of sustainable development offers such a platform for further action;
- The Organisation of the BSEC may not have provided adequate answers to all the complex problems that persist in the Black Sea area, but it has fostered a sense of regional ownership and a habit of working together, sometimes despite serious differences, in an orderly fashion and according to agreed procedures. This is an important asset that offers a sound foundation for further cooperative endeavours in a regional format;
- The geopolitical significance of the wider Black Sea region and its Caspian twin further east is rising as the meeting point of non-identical, though not necessarily antagonistic, interests of regional and global players. More than ever before, whatever happens at the confluence (hopefully not the fault line) of the two components of the Euro-Asian land mass increasingly begins to work like a weather vane indicating which way the winds of history are blowing.

Threats

- Possible loss of momentum in pursuit of enhanced regional cooperation resulting from BSEC's inability or reluctance to produce a realistic strategic design for a common future and to mobilize the political will of the member states for the actual implementation of the agreed goals;
- Political stagnation and the continued operation of BSEC as a bureaucracy - rather than policy - driven organisation may sharply diminish its relevance for the member states and for international partners;
- The wider cross-border spread and increased intensity of non-conventional threats

and the spill-over effect of unmanageable turbulence in adjoining areas may seriously jeopardise regional security and stability;

- The continued existence of protracted or 'frozen' conflicts clearly affects the prospects of meaningful regional cooperation as the basic BSEC policy documents have consistently emphasized. Meaningful confidence and stability building measures, which are currently outside the BSEC remit, may further undermine the political atmosphere, multiply the factors of uncertainty and reduce the incentives for constructive regionalism.

A new template: Sustainable development and environmental governance as the motive force of Black Sea regionalism

From its very inception the Black Sea cooperation initiative has sought to offer a material foundation for regional identity. Some of the original ambitions were tempered by the test of reality when confronted with the complexities of region building and the diversity of actors engaged in that process. The Organisation of the BSEC had to adjust along the way, to discard some ideas that had proved to be unrealistic and to take on board new assignments. It weathered difficult times and continued to exist because its member states saw merit in keeping it alive at least as a promise for the future. And yet, for almost twenty years, some troubling questions remain unanswered: What tangible benefits can the BSEC offer to the people of the region, to individual citizens? What is the actual added value of regional cooperation beyond the total sum of national contributions? What is the way forward and what can we realistically expect to happen in the next decade? We believe that the notion of sustainability may provide the adequate answers that we have been looking for.

The concept of sustainable development evolved over a space of several decades of scientific debates and acquired a distinct political connotation in the era of globalisation. In its essence it proposes a new, integrated decision-making approach, in which socio-economic development and responsible environmental policies are considered to be complementary and interdependent. It is built on the premise that human civilization is a sub-system of the global ecosystem and is dependent on the latter's material and energy flows, on its stability and capacity for self-adjustment. Sustainability has become the new development paradigm at the confluence of economic, social and environmental factors.

Sustainability is directly intertwined with the concept of "Environmental Governance".

The integration of “environmental acquis” in the main core of all sectoral policies, (from the initial stage of policy formation, up to decision making process and implementation) is an important step towards integration, based on sustainable development principles. Thus, Environmental Governance can function as a “loose - coupling mechanism”, coordinating and integrating processes, institutions and actors in different policy fields. Of utmost importance is the synergy and cohesion among environmental policy, regional cooperation, transportation and energy policy. Compatibility of different policy objectives, can lead to “Territorial Cohesion”⁴ and better cross-sectoral regulation and co-operation of institutions, enabling actors to take initiatives enhancing efficiency. The main challenge for the Black Sea, an area with highly fragmented sectoral policy outcomes, is the strategic steering of individual policy sector’s objectives and interests towards more interwoven paths of environmental integration.

In the Black Sea region, regardless of the various national policy nuances, sustainable development is gradually becoming not just one of several possible options, but the only rational prospect for the future. There is a growing realisation of the fact that the current development model based on irresponsible and wasteful consumption of the Earth’s limited resources cannot continue indefinitely.

The public policies that are being developed and implemented in all BSEC member states are increasingly seeking to restore and preserve a rational and enduring equilibrium between the imperatives of economic development and the integrity of natural environment in ways that society can understand and accept. The challenge that the Organisation of the BSEC has to face now is how to bring together those various strands of national endeavour into a comprehensive vision of the region’s future. Once we agree on a common, long-term strategic objective, it becomes easier to set realistic intermediary targets and to pursue them relentlessly.

Embracing the notion of sustainable development and environmental governance as a regional goal would entail actions such as:

- To incorporate the principles and practice of sustainable development, as described in the international agreements and policy documents to which the BSEC member states are parties (United Nations, Council of Europe, OSCE), into their national legislation, public policies and institutional arrangements, and to proclaim the achievement of sustainability as the main policy goal of the Organisation of the BSEC;

4 CEC, European Spatial Planning Perspective (ESDP), 1999; Giannakourou G., “Transforming Spatial Planning Policy in Mediterranean Countries: Europeanization and Domestic Change”, European Planning Studies 13, 2 (2005):319-331.

- To move toward a gradual achievement of approximation of legal dispositions and symmetry of relevant institutions responsible for the implementation of sustainable development goals in the BSEC member states according to an agreed timetable;
- To implement the principles of Environmental Governance in Black Sea, which means to focus on the nested relations between local, regional, national, European and global actors and institutions and enhance their cooperation in effective and operational practices, across scales. Given the fact of the multiplicity of actors and institutions in Black Sea, there is a need not only for better co-operation among them, but also for opening the actions-arenas to new stakeholders (civil society and private sector), implementing realistically “Greening” practices, as good examples for knowledge and policy transfer;
- To develop a minimal set of agreed sustainable development indicators allowing for the objective measurement of the performance of individual BSEC member states and providing incentives for further improvements through cooperative action at a regional level;
- To examine the feasibility of undertaking precautionary measures on a regional level to adjust to the impending impacts of climate change and to mitigate its nefarious effects, including exchange of information and best practice on cross-border management of water resources and land use, and on relevant policies concerning energy, manufacturing industries, transport, construction standards, spatial planning, public utilities, and sustainable agriculture;
- To promote responsible and eco-efficient consumption of resources and preservation of natural capital: clean air, water and soil, healthy forests, rational use of minerals, waste management, protection and conservation of natural sites, biodiversity and cultural assets;
- To encourage innovation as a source for sustainable growth by enhancing the cost-effectiveness of fundamental and applied research through regional cooperation, generation and absorption of new, environment-friendly technologies, private sector involvement, dissemination of success stories and best practice;
- To ensure the sustainable development of human resources with due consideration of the prevailing demographic trends in the region and their impact on employment, education and training, health and social services, migration, and social inclusion;
- To render support to the active segments of the civil society, specialized non-governmental organisations and the media in alliance with the academic and

scientific community in their endeavours to disseminate valid knowledge about the substance of sustainable development and to increase public awareness about its goals. Especially, the participation of environmental NGOs would assist the BSEC and its Working Group on Environmental Protection to better understand and address the environmental challenges of the area.

Priority areas for regional cooperation

For the foreseeable future, the main thrust of the BSEC activities will most likely continue to be regional economic cooperation with an added emphasis on sustainable development, increased operational effectiveness and more active continental and worldwide outreach. Basically, this document reiterates the priority areas defined in the BSEC Economic Agenda for the Future of 2001 with certain corrections and adjustments that were dictated by the experience of the past two decades and a realistic assessment of the expected inputs of political commitment and material resources from the BSEC member states and their international partners.

Trade and investment

In the early years of BSEC's existence, most of its member states (ten out of twelve) went through a difficult and often painful process of transition from one-party rule and command economy to functional, though not yet fully mature democracy and market economy. The next period, roughly between 1995 and 1999, saw a relative consolidation of the region's economies as a result of market-oriented structural reforms and early signs of macroeconomic stabilisation. There followed a period of high GDP growth, between 2000 and 2008, averaging 6% per annum in the entire region with a cumulative real economic expansion of 68% and a significant increase in per capita income. The financial and economic crises of 2009-2010 had an adverse impact throughout the region leading to negative growth figures and a sharp decline of capital inflows. The crisis revealed certain structural vulnerabilities, but it also demonstrated the remarkable resilience of the region's economies in the face of external shocks.

The main concern for the BSEC, its institutions and its membership should be to digest the lessons learned during the crisis and to leverage the advantages of regional cooperation for the purpose of achieving and maintaining steady and sustainable growth. This will require an imaginative and creative approach in order to overcome the inherent difficulties resulting from the diversity of regional actors and their

international commitments, and to seek new complementarities and possible synergies through cooperative action in a regional format.

The meaningful involvement of the Organisation of the BSEC in the development of regional and inter-regional trade and investment requires active measures designed:

- To implement a gradual but accelerated harmonization of regional trade practices in accordance with WTO rules, considering the imminent accession of all BSEC states to that organisation;
- To undertake further measures toward trade facilitation and removal of the remaining non-tariff barriers to regional trade, without prejudice to the existing international commitments of the BSEC member states;
- To assign to the BSEC Council of Ministers of Foreign Affairs the task to produce together with the relevant government institutions or agencies a comprehensive Action Plan on regional economic development and cooperation spelling out precise responsibilities and deadlines, and to review its implementation as a permanent agenda item at every meeting of the Council;
- To enhance significantly the profile and actual empowerment of the relevant BSEC Working Groups and in particular the BSEC Business Council as a catalyst for new regional initiatives in the fields of trade, investment and financial cooperation, and as an active interface with the business communities and their respective professional associations in the member states;
- To establish, possibly under the aegis of the BSEC Business Council, a mechanism for permanent consultations with the business community and investors associations at a national and regional level prior to the design and submission of draft intergovernmental agreements or policy papers regarding regional economic cooperation;
- To examine the feasibility of upgrading the role of the Black Sea Trade and Development Bank, including its capitalization, as a leading regional institution for trade and project financing;
- To develop new innovative policy measures and actions promoting the emerging niche market of “green trade” of products and services in all sectors, and especially in agricultural sector;
- To improve the collection, processing and timely dissemination of relevant statistical data pertaining to regional trade and investment, and to consider the creation of a

- specialized BSEC agency which should also have analytical and foresight capabilities;
- To support, through legislative and regulatory measures at national and regional levels the cultivation of a healthy and attractive business climate, assured and expeditious recourse to justice, encouragement of entrepreneurship; development of travel and leisure, especially eco-tourism, and setting agreed quality standards for products and services.

Energy

The Black Sea-Caspian region has long been associated with the production and transit of hydrocarbons (more than 150 years for oil, some 50 years for gas). Some of the major functional or planned pipeline routes and sea lines from the production areas to the European markets pass around or across the Black Sea. In the short to medium run, this will most likely continue to be the case.

However, change is on the way. Based on solid scientific evidence, the world is becoming increasingly aware of the fact that climate change is a real and present danger, and that human activities related to energy production and consumption are mainly responsible for this. Along with climate change, more energy security issues need to be addressed. Oil industry installations are major sources of solid, liquid and gaseous waste to air, soil and water⁵. The extraction of oil is responsible for the destruction of natural habitats for animals and plants. Simultaneously, waste products can cause soil contamination, if they are not properly treated and disposed⁶. On the other hand, oil spills from accidents during the transportation phase can cause serious environmental damage. Oil tankers are bound to pass through the Turkish Straits, which are considered a major shipping hazard due to their narrowness and the windy weather in the area. The potential of such an accident can be increased if the ships are old, not fully equipped and do not follow the safety standards⁷.

In addition, the Black Sea countries have a tradition in nuclear energy production. However, this tradition is not always accompanied with the necessary safety standards

5 Heinrich Boll Stiftung, EU Regional Office, Greening the Black Sea Synergy, Brussels, June 2008

6 European Environment Agency, Europe's Environment: The Fourth Assessment, Copenhagen, 2007, http://www.eea.europa.eu/publications/state_of_environment_report_2007_1

7 Laurence D. Mee, How to save the Black Sea, Your guide to the Black Sea Strategic Action Plan, <http://www.undp.org/gef/new/blacksea.htm>

for nuclear power plants, constituting a constant threat⁸. Even after Chernobyl's nuclear accident that cost lives and irreparable damages in the area's environment and economy, there are still outdated facilities, in order to support the energy sector of the countries. Moreover, the storage and transport of radioactive waste from nuclear power production and uranium mining is also accountable for environmental pressures.

The past few decades saw remarkable technological advances and further breakthrough is expected leading to more economical and environment-friendly uses of energy, and to much improved energy efficiency. Clean energy from renewable or alternative sources tend to become competitive in terms of cost effectiveness and to make commercial sense.

Considering that energy is still the least regulated sector of the world trade, it is likely that public and international pressure may cause a shift toward more transparent, market-based energy policies worldwide. In particular, this will provide incentives to strike a rational balance between the respective interests of all major actors on the energy scene, meaning security of supply for consumers, security of demand for producers, and security of steady revenue for transit countries. This is highly relevant for the Black Sea region, which includes all three types of countries.

In order to move forward in a meaningful, safe and realistic way toward enhanced regional cooperation in the energy sector, while avoiding sterile controversy over politically sensitive subjects, the following practical steps can be considered in the BSEC framework:

- To concentrate the activities of the relevant Ministerial Meetings and Working Groups on those energy projects or area of common interest that can best benefit from a trans-national, regional approach and can yield substantial results within a reasonable time frame in terms of economic rationality, cost-effectiveness and compliance with accepted environmental standards;
- To appoint a specialist Task Force with an aim to prepare a regional contribution toward a possible international arrangement regulating the mutual relationships of the main actors in the energy market with due regard for the legitimate interests of the energy producers, consumers and transit countries;
- To encourage the development of regional emission trading and other economically viable schemes aiming to reduce the environmental impact of energy production and consumption;

⁸ Heinrich Boll Stiftung, EU Regional Office, Greening the Black Sea Synergy, Brussels, June 2008

- To engage in active exchange of experience and best practice among the energy regulatory authorities in BSEC member states;
- To promote region-wide working contacts and cooperation, including joint projects involving the scientific community and energy companies in order to enhance energy efficiency, savings and conservation throughout the production and consumption cycle;
- To expand such cooperative endeavours into the area of non-conventional (clean coal, shale gas) or renewable sources of energy (wind, solar, biomass, geothermal, etc), advanced nuclear power generation, and anti-pollution measures (carbon sequestration and storage);
- To consider the economic feasibility of additional further interconnections between national power grids and pipeline systems, and to ensure the gradual harmonization or operational compatibility of technical standards;
- To improve the ability of national power systems to cope with additional inputs from renewable or alternative sources through cross-border arrangements, including the introduction, interconnection and smooth operation of smart grids and smart metering;
- To examine the social implications of energy policies with an emphasis on coping with energy poverty;
- To promote the elaboration of shared plans and initiatives concerning the implementation of models of environmental risks assessment, especially early warning prediction models and development minimum safety standards for nuclear power stations with the aim to take joint measures and to increase safety precautions against disasters in the wider Black Sea area.

Transport

Throughout the Black Sea region the existing transport infrastructure requires considerable upgrading involving massive new investments. This has become a matter of urgency since the explosive rise of automotive transport puts a serious pressure on the existing road system, while the economic viability of other means of transport (rail, maritime and river haulage) tends to become precarious. The resulting imbalances affect regional trade and constrain socio-economic development. In addition, transport accounts for a disproportionate share of air, water and soil pollution in the BSEC member states.

While the development of infrastructure, modernisation of the means of transport and compliance with safety and environmental standards are mainly the responsibility of individual BSEC member states, there is plenty of room to move toward a rational resolution of some of the existing problems by resorting to the specific instruments of regional cooperation.

The envisaged measures at the BSEC level in the field of transport could include:

- To accelerate the implementation of the major regional projects that have already been agreed in the BSEC framework (Black Sea Ring Road⁹, Motorways of the Sea¹⁰) by reiterating the political commitment of the member states and ensuring the availability of financial and material resources;
- To undertake a comprehensive review of the regional coverage of the planned Trans-European Networks¹¹ with a view to producing a joint BSEC approach on the priorities and execution deadlines;
- To set in motion a sequence of practical steps according to an agreed timetable aimed at the enhancement of the carrying capacity of transport infrastructure within the Black Sea region and in relation to other regions in line with the projected requirements of trade flows, and the elimination of perceived transport bottlenecks, especially at border crossings;
- To pursue active measures toward promoting intelligent and cost-effective transport through multi-modal and inter-modal systems;
- To identify additional sources for financing the development, upgrading and safe operation of transport systems, including public-private partnerships, build-operate-transfer (BOT) arrangements or long-term concession contracts;
- To incorporate the principles of sustainable development into the transport policies taking into account the environmental, economic and social consequences of any transport infrastructure projects. The implementation of Strategic Environmental Assessment (SEA) and Environmental Impact Assessment (EIA) for the new transport works and plans is also a way of avoiding or reducing the relative environmental impacts.

¹⁰ Read more: <http://www.bsec-organization.org/documents/LegalDocuments/agreementmous/m3/Documents/MoU%20BSRH%200711227.pdf>

¹⁰ Read more: http://www.transport-research.info/Upload/Documents/200608/20060831_100831_88503_Sea_Motorways.pdf

¹¹ Read more: <http://www.bsec-organization.org/aoc/Transport/Pages/JOINTDECLARATION.pdf>

Environment

According to the concept of sustainable development and environmental governance, conservation and improvement, responsible use of resources and promotion of new patterns of production and consumption have ceased to be a separate chapter of national and international policies. The aggregation of those concerns has become a major element of socio-economic and human progress permeating all the other sectors and activities.

The positive record of cooperation between the BSEC and the Commission on the Protection of the Black Sea against Pollution, which was established under the Bucharest Convention of 1992, provides a sound basis for further action in this important sphere.

Environmental concerns are, however, much broader in scope and call for concerted action at regional level to supplement and enhance the individual efforts of the BSEC member states. In fact, pollution, environmental degradation and threats to biodiversity or sensitive habitats know no frontiers and are eminently suited to become the object of regional cooperation.

Despite the area's unquestionable value in resources and biodiversity and the common challenges that they have to deal with, there are still no official commitments. The truth is that the BSEC presents important steps towards the incorporation of environmental approaches in the economic and social development of its member states. However, despite the notable progress so far, the environmental problems are mainly tackled at the national level, even though they have transboundary impacts. Collective multi-level action can be triggered by the BSEC. Its institutional and diplomatic role is essential for the enhancement of horizontal actions for the environment, the allocation of financial resources and the management of projects that need sufficient political and technical support, if they are to succeed.

The countries of the Black Sea region need to implement multilateral environmental agreements and establish a more strategic environmental cooperation in the area. In this framework, multi-scale cooperation could be implemented in issues such as waste management, pollution or biodiversity preservation. For example, fisheries in the Black Sea constitute a cross-boundary issue. The assessment and the data collection of these fisheries are crucial in order to explore new sustainable ways of using these resources and ensure their viability.

In the framework of ecological security, the Black Sea countries should adopt shared initiatives, concerning the implementation of tools of environmental risks assessment,

especially early warning prediction models and scenarios about potential environmental hazards and improvement of disaster and crisis management. The notions of ecological security, monitoring, risk analysis, management and long-term safety for the Black Sea environment and populations should be embraced, in order to attain a gradual reliance on renewable energy resources.

The above environmental concerns are already very high in the Agenda, reflected in the Joint Declaration on combating Climate Change of the Foreign Ministers of Black Sea countries (2010, Athens).

To that end, the following measures could be considered at the level of the BSEC institutions and member states:

- To agree in principle and to start preparatory work for a new comprehensive intergovernmental agreement of the BSEC member states, complementary to the 1992 Convention, covering all aspects of environmental policies in the region in accordance with the principles of sustainable development: climate change mitigation; clean energy and industrial processes; air, water and soil quality; green urban and rural development; waste management; rational land use and sustainable farming practices; regulated use of chemicals; biodiversity, protected areas and wildlife conservation; development of eco-tourism; integrated development of coastal areas; wetlands; fisheries; product and food safety, etc.;
- To establish functional links with other regional environmental programmes, in particular those for the Mediterranean, Caspian and the Danube, with a view to enhancing the scientific underpinnings and operational capabilities of the BSEC performance;
- To encourage the development of national parks and nature reserves, including agreed procedures for the joint administration of such units that stretch across national boundaries, following the pattern and experience of the Natura 2000 programme;
- To support the exchange of information and best practice among the Ministries and government agencies in the BSEC member states that are responsible for the design and implementation of environment-related policies, and to encourage professional networking among the scientific research units and the non-governmental organisations that are active in this sphere;
- To support integration and cohesion of actions towards 'greening' all sector policies, mainly transport, energy, infrastructure and regional development policy;

- To encourage multi-lateral environmental agreements among Black Sea states for waste management, pollution, biodiversity preservation, fisheries, integrated coastal zone management, better balance of fossil fuels and alternative energy resources;
- To enhance “smart greening” of enterprises, public institutions, Universities and Municipalities by the implementation of environmental management systems (e.g. EMAS12, ISO 14001) and environmentally friendly “clean” technologies;
- To encourage trans-national and cross-border cooperation, concerning environmental data collection, cross-country and cross-regional comparability, assessment and evaluation (e.g. through the use of innovative tools, such as Geographical Information Systems GIS).

Agriculture, food security and safety

The countries of the Black Sea region have an enormous potential for the modern development of agriculture, forestry, fisheries, food processing and related activities such as eco-tourism: abundant and fertile farmland stretching over a variety of pedo-climatic zones, pristine forests and breathtaking landscapes, a relatively high proportion of rural population. Although the efforts to turn those assets to good account are still at an early stage, the region as a whole has the capability to provide quality food for its own population and to generate a considerable surplus for exports to the rest of the world.

In view of the dire predictions about an impending global food crisis in the next few decades, the BSEC countries are in a strategically important position to become major players in the world marketplace.

In order to live up to that promise the BSEC and its member states will be well advised to give the farming sector the priority that it vastly deserves and to take timely steps toward improving its performance both in quantity and in quality:

- To conduct a region-wide survey of the actual state of affairs in the area of rural development, logistical infrastructure (transport, irrigation systems, storage, machinery), food production, processing and marketing, and related activities;

12 Getimis Panagiotis, Giannakourou Gina, Dimadama Zefi, “Eco-Management and Audit Scheme (EMAS) in Greece”, in Sustainability Innovation and Participatory Governance, edited by H. Heinelt and R. Smith, Ashgate: Adershot, 2003.

to formulate on that basis conclusions and recommendations concerning the desirability and feasibility of concerted actions at regional level;

- To clarify and consolidate in every BSEC member state the legal regime of property over farming real estate, forests and fisheries;
- To expand and deepen cooperation among relevant government agencies, scientific research units and business associations with a focus on those projects that can benefit from a trans-national approach, e.g. cross-border irrigation schemes;
- To develop regional standards for food quality and safety, proper packaging and labelling in accordance with the requirements of international markets;
- To encourage the organisation of regional fairs or exhibitions of farming produce, machinery and services, and to consider the possibility of opening joint BSEC pavilions at such international events.

Education, science and innovation

The implementation of sustainable development principles is inconceivable without strengthening and continuous upgrading of a nation's main asset: its human capital. This is mainly achieved through high-quality education from kindergarten to primary, secondary and high schools to university and postgraduate studies supplemented by continuous professional training, recycling for the acquisition of new skills and lifelong learning to meet the requirements of an evolving labour market. This in turn provides the foundation for the advancement of science and research as a prerequisite of modern economic, social and human progress. The very substance of sustainable development can thus be described as a process of societal learning in search of innovative solutions to the problems of today and tomorrow.

Over the past years, all the BSEC member states have adopted and are now implementing comprehensive reform programmes to improve the performance of their educational and research systems, and to encourage innovation in all sectors. It is to be noted, however, that investment in education displays a high degree of inertia and tangible results can only be expected after a number of years. Here again, the record of regional cooperation in the BSEC framework is encouraging and offers good prospects for further development.

The next steps to improve regional interaction in the fields of education, training, research and innovation can include:

- To plan future BSEC Ministerial Meetings and Working Group activities around single specific subjects enabling the elaboration of practical Action Plans and the mobilisation of the required resources for their implementation;
- To encourage and support the regional and international mobility of students, educators and researchers on a much broader scale than it has so far been the case;
- To invite, as a matter of current practice, experts from other BSEC countries to participate in the evaluation of educational or research institutions, and in assessing the actual performance of students and teachers at all levels;
- To introduce the provision of basic information about the principles of sustainable development and environmental awareness either as part of the curriculum, as an optional subject or as an obligatory component of standard classes (e.g. geography, nature sciences, civic education);
- To promote adult education and lifelong learning as a matter of priority since most BSEC member states are still lagging behind the average performance of the developed countries on that score;
- To support permanent exchanges of information and best practice on educational and research policies, administrative and managerial solutions, and advanced teaching measures and procedures, including the use of new tools provided by information and communication technology;
- To re-examine the remit and cost-effectiveness of the BSEC Project Development Fund¹³ and to consider the possibility of commissioning, on a competitive basis, analytical studies or strategy papers on subjects of major interest for the BSEC decision-making process including concrete policy recommendations.

Good governance and the rule of law

Institutional renewal and governance form a relatively new area of concern for BSEC activities and still require a more precise definition of their scope and content. Essentially, such activities have to serve regional economic cooperation as the main purpose of the Organisation and to concentrate on transparency and accountability of governance, rule of law, predictability and relative stability of legal or regulatory

¹³ Read more on BSEC Project Development Fund: http://www.balkansblacksea.org/pub/docs/61_bsec_project_development_fund.pdf

dispositions, and provision of adequate and professional public service to the citizens.

The work performed by the BSEC in this sphere should be complementary to, and not interfere with, the activities of other organisations which have the main responsibility for the functioning of democratic institutions and defence of human rights such as the Council of Europe or the Organisation for Security and Cooperation in Europe and its specialised institutions.

Further BSEC action in this particular field may include:

- To seek active ways for improving the administrative capacity at national and regional levels in order to ensure compliance with the agreed principles and standards of sustainable development;
- To promote well-structured cooperation, relying on operational protocols, among the national law enforcement agencies and judiciary systems for combating organised crime and corruption, international terrorism, illegal migration, illicit trafficking in humans, arms and drugs;
- To develop functional procedures and, if necessary, to prepare legally binding agreements among BSEC member states on advanced judicial cooperation, including such subjects as extradition, asylum and re-admission;
- To examine the possibility of setting uniform standards for the provision of social services and promotion of social inclusion with a special focus on the more vulnerable segments of the population, including the eligibility criteria for assistance and covering also the specific requirements of migrant workers;
- To consider as a matter of special concern the implementation of active measures toward ensuring gender equality in career planning and management, including fair representation, based on merit, in elected or executive positions;
- To encourage and support exchanges of information and best practice, and to disseminate knowledge about lessons learned from current practice among the relevant government agencies, research units, professional associations and trade union organisations in the BSEC member states on such subjects as recruitment, selection, training and career paths in civil service; the structure and functioning of health services and pensions schemes; decentralised operation of public and social services, etc.

Partnership with the European Union

The incentives for both the Organisation of the Black Sea Economic Cooperation and the European Union to take a more comprehensive, long-term view of their respective interests and responsibilities in the region are of strategic nature and should be recognised as such. About half of the BSEC member states are EU members, candidates or aspire for eventual EU membership. For most countries of the region the EU has become the main trading and investment partner.

For its part, the BSEC put forward, in 1999, a policy document on The BSEC-EU Platform of Cooperation¹⁴. Following extensive consultations, the European Commission adopted, in 2007, a targeted Communication on Black Sea Synergy – A new Regional Cooperation Initiative¹⁵ and subsequently produced a comprehensive review of its implementation. Some EU documents, in particular the Strategy for Smart, Sustainable and Inclusive Growth – Europe 2020 of 2010, are highly relevant for the development priorities and concerns of all the BSEC member states.

Although the BSEC countries which are not EU members are not bound by the directives of the European Union, it is now clear that, at least in part, such policy documents, practices and standards will have an increasing impact throughout the region. This will require a special effort for mutual accommodation by means of a continuous and structured political dialogue.

For this purpose, the Organisation of the BSEC should take far-reaching policy decisions aimed at improving its ability to cope with the growing complexity of BSEC-EU relations such as:

- To develop specific instruments for policy coordination and adequate representation for a more advanced and functional interaction with European Union and its institutions;
- To enhance its credibility as a reliable regional partner for the EU by proving its ability to generate viable projects for cooperative action, to produce proper documentation according to international standards, and to ensure their adequate implementation through professional management and co-funding;

¹⁴ Stribis, Ioannis and Dimitrios Karabelas, comp. The BSEC at Fifteen: Key Documents, 1992-2007, Athens: ICBSS, 2007

¹⁵ Black Sea Synergy-A new Regional Cooperation Initiative: http://ec.europa.eu/world/enp/pdf/com07_160_en.pdf

- To establish a special unit for the monitoring of progress in the implementation of agreed BSEC-EU projects with sufficient empowerment to intervene whenever corrective measures appear necessary.
- In turn, the European Union and its institutions would be reasonably expected:
- To develop, as a matter of priority for the European External Action Service, a forward looking strategic design for the wider Black Sea region by combining the relevant elements of the European Neighbourhood Policy, Black Sea Synergy, Eastern Partnership, the Danube Initiative, special programmes for Central Asia and the Caspian basin, and bilateral partnerships;
- To consider the possibility of including a dedicated chapter on regional Black Sea cooperation in the EU financial planning exercise for 2014-2020;
- To establish a special operational unit for policy coordination and monitoring of all activities related to the advancement of the EU-BSEC cooperation.

Conclusions: The way forward for BSEC

After 20 years since its inception as a regional initiative, the Organisation of the Black Sea Economic Cooperation has come of age and is in a good position to embark on a new phase in its development by providing enhanced political commitment, leadership and professional management in all its activities as an effective and functional regional organisation.

There are concrete steps envisaged for the renewed engagement and increased capability of the BSEC to deliver on its promises of security and prosperity through cooperation to the region's citizens and meaningful and responsible contributions to its international partners.

A first step is the development of a comprehensive system of legally binding agreements completed with implementation and monitoring mechanisms covering in a realistic manner the main areas of BSEC concern according to its Charter. In addition, to concentrate on those areas where a regional approach provides added value compared to the individual efforts of the member states, while being consistent with their respective international commitments and with the principles of sustainable development, is yet another important step.

Furthermore, it is important to take into serious consideration the substantial augmentation of the BSEC operational budget in a multi-annual perspective based on proportional contributions and to seek actively other sources of financing, including public-private partnerships. Nonetheless, to enhance considerably the role and responsibility of the Council of Ministers of Foreign Affairs in setting policy guidelines and assessing the performance of the BSEC subsidiary organs, executive mechanisms and related bodies, is also another concrete step. As well as the establishment of the commitment of the member states to devote at least one cabinet meeting every year to the examination of matters related to regional cooperation and the implementation of BSEC objectives, and to report accordingly to their national parliaments and the BSEC Parliamentary Assembly.

Another substantial step is to demonstrate leadership and strong commitment aiming at transforming the BSEC region into a model for clean energy by combating climate change and adopting low pollutant practices through resource efficient and climate resilient economies. Also, to strengthen collaboration on addressing common challenges by elaborating shared plans and initiatives concerning the implementation of models of environmental risks assessment, especially early warning prediction

models, in order to take joint measures and to increase safety precautions against disasters in the wider Black Sea area. And finally to support global efforts to combat the adverse effects of climate change through the United Nations Framework Convention on Climate Change (UNFCCC) process.

Abbreviations

BOT	Build-operate-transfer
EIA	Environmental Impact Assessment
EU	European Union
GIS	Geographic Information Systems
NGO	Non-Governmental Organization
OECD	Organization for Economic Co-operation and Development
OSCE	Organization for Security and Co-operation in Europe
SEA	Strategic Environmental Assessment
WTO	World Trade Organization

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