

Successes and shortcomings in Black Sea cooperation

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1. Founded in 1992, at a summit meeting in Istanbul, the Black Sea Economic Cooperation (BSEC) was launched as a political and economic initiative aimed at fostering peace, stability and prosperity in the Black Sea region. Subsequently it developed into a regional economic organisation, with the adoption of its Charter that entered into force in 1999.

The organization brings together the 6 littoral states and 6 other neighbouring states – Albania, Armenia, Azerbaijan, Greece, the Republic of Moldova and Serbia. Moreover, 13 states have an observer status, including 7 EU Member States. The European Commission has also the status of observer. 8 other states, including 2 EU Member States, have the status of sectoral dialogue partner.

Given the comprehensive membership and the relatively high degree of institutionalisation, the BSEC Organisation has shaped itself as an important framework for multilateral cooperation within the region. It has developed a complex structure – governmental bodies, an international secretariat, a parliamentary assembly, its own think tank, an affiliated bank, a business council, two development funds for small projects and numerous permanent working groups covering most areas of mutual interest.

The Black Sea area is at the heart of three major continents. It is on strategic transport and trade routes and energy corridors. With its significant economic and human potential as well as natural resources, including energy, it is no surprise that the international focus on this region is on the rise. Parallel to this trend, enhancing regional economic cooperation is becoming increasingly important for maximizing the potential that the region holds, for the benefit of the BSEC Member States.

2. Over the years, BSEC has defined common policy approaches of Member States in summit and ministerial declarations, inter-governmental agreements, plans of action and strategy documents and has launched major projects and initiatives which are of interest for the Member States.

One such strategy document is *BSEC Economic Agenda for the Future: Towards a More Consolidated, Effective and Viable BSEC Partnership*, adopted in Moscow on 27 April 2001, which sets the ground for a regional, BSEC approach, to addressing common problems in the Black Sea area. Upon the initiative of the Romanian Chairmanship-in-Office, on 8 June 2011 the Council of the Ministers of Foreign Affairs, which is the main decision-making body of the Organization, decided to establish an Ad Hoc Group of Experts on the BSEC Economic Agenda for the Future with the task to draft and updated Agenda and submit it for adoption to the Summit dedicated to the 20th Anniversary of the BSEC, in 2012.

The intergovernmental agreements within the BSEC framework include the Agreement on Combating Organised Crime and the Agreement on Cooperation in Emergency Situations, with subsequent additional protocols one of which refers to the fight against terrorism. The Organisation has also worked out specific proposals for regional undertakings, like for instance interconnection for electric grids, identification of obstacles to intra-regional trade, and has created functional networks, like for example liaison officers for combating crime and action in emergency situation.

3. In the field of transport, the dynamics of work of the BSEC Member States is quite impressive. In this field, BSEC activities focused on the development of road and maritime infrastructure, as well as to facilitation of road transport of goods.

The BSEC Meeting of the Ministers of Transport that was held in Sofia on 15 April 2010, considered the issues of transport cooperation and adopted the “Sofia Joint Declaration on Strengthening the Co-operation in the Field of Transport in the BSEC Region”. The Ministers underlined the importance of developed transport infrastructure, and the measures for facilitating transport procedures aimed at intensifying multimodal transport flows, as well as the significance of overcoming physical and non-physical barriers in the region of BSEC.

4. Two bold projects on the development of transport links in the region were undertaken within the framework of BSEC, namely the Black Sea Ring Highway and the development of the Motorways of the Sea in the BSEC region. Both these projects are expected to do much to foster intra-BSEC trade, as well as tourism, infrastructure and transport investments and, in general, economic prosperity among the countries of the region.

The Black Sea Ring Highway project envisages a four lane ring highway system, approximately 7500 km long, to connect the BSEC Member States with each other. The MoU on the Coordinated Development of the Black Sea Ring Highway was signed on 19 April 2007 in Belgrade and on 1 November 2008 it entered into force.

A Steering Committee and Joint Permanent Technical Secretariat of the Black Sea Ring Highway were established in order to implement the project. The Secretariat is managed by the leading public Greek company “Egnatia Odos”. We expect that the Steering Committee will shortly finalize the BSRH route and will start working on elaboration of a Master Plan and project financing schemes.

In the meantime, Turkey has constructed its part of the Ring Highway from the border of Georgia to Istanbul while Greece has put into operation the Egnatia Odos Highway which connects the Ioanninan Sea to the Turkish frontier.

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. Activities within this project include the upgrading of port facilities, identification of projects of common interest, securing free and fair competition in international shipping, facilitation of access to all modes of transport and promotion of intermodality and enhancement of maritime security and safety in the BSEC region. The

MoU on the Development of the Motorways of the Sea in the BSEC Region was signed also 19 April 2007 in Belgrade and entered into force on 1 December 2008.

An Ad Hoc Working Group on the Development of the Motorways of the Sea was established in order to implement the MoU. It worked out and approved the Concept of the MoS Master Plan. In accordance with the Concept, the future work on the development of the MoS will be done in 4 steps:

- Designation of MoS in the BSEC area;
- Evaluation of MoS projects and preparation of a Master Plan;
- Investment and time planning - financial instruments;
- Public Awareness Actions.

As of today, 41 ports were proposed for their participation in the development of the MoS.

It is expected that at its next meeting in Novorossiysk on 23-23 August 2011, the Ad-Hoc Working Group, a Joint Technical Secretariat will be set up. The next stage will consist of the elaboration of a Master Plan of the project.

5. The two projects also constitute regional contributions to the extension of the Trans-European Networks and the development of Euro-Asian transport links. They are in line with the EU policy concerning the extension of major Trans-European Transport Axes to the neighboring countries.

6. Another issue which is of utmost importance for the transport industry was the object of an additional MoU on **Facilitation of Road Transport of Goods at the BSEC Region**, signed on 6 March 2002 in Kyiv. The MoU entered into force on 20 July 2006.

The purpose of this MoU is to enhance co-operation among the Governments of the BSEC Member States towards the harmonization of certain key-elements concerning international road transport of goods in the region, in line with internationally accepted agreements, as well as with related rules and standards, *inter alia* by simplifying and harmonizing procedures, formalities and documentation.

7. A new project on **Progressive Liberalization of International Road Transport of Goods** was launched. On 16 February 2010, seven BSEC Member States, namely Albania, Armenia, Georgia, Moldova, Romania, Serbia and Turkey, launched a BSEC Pilot Project on Transit Permit within – a BSEC Regional license similar in nature with the ECMT license.

The BSEC Permit is a historical milestone in the facilitation of road transport of goods and for the gradual liberalization of transport market in the region. The first experiment was successful and the BSEC Council of Ministers of Foreign Affairs, in its Meeting in Thessaloniki on 26 November 2010, decided to extend term of implementation of this pilot project for one more year.

8. Among the other issues that are being considered within BSEC related to facilitation of the transport of goods, there are:

- the harmonization of weighing procedures;

- the monitoring of the border waiting times, which provides useful actual data to measure the situation and impact of facilitation measures at the borders;
- the harmonization of charging policies in the BSEC Region;
- the facilitation of visa procedures for professional drivers, to the effect of which an Agreement on Simplification of Visa Procedures for Professional Drivers Nationals of the BSEC Member States was opened for signature on 20 May 2008 in Tirana and was signed so far by four Member States;
- the issue of road safety, in the context of the UN Decade of Action for Road Safety (2011-2020), for which BSEC and UNECE elaborated actions for the BSEC region, reflected in the Declaration adopted at the Conference on improving Road Safety in the BSEC Region held in Ioannina, Greece, on 18 and 19 November 2010.

9. These are the main activities that highlight the cooperation on transport related issues in the BSEC framework. A lot has been done and is currently underway in this area for fostering the spirit of transport cooperation in the region.

10. If it were to point out shortcomings in the regional cooperation in the field of transport, one of them consist of the slowness of the implementation of agreed projects and of the processes of identifying projects and cooperation activities of common interest. Not all the Member States attach the same importance or priority to the various projects.

On the other hands, the regional economic cooperation is affected by the various unresolved issues and disputes between the Member States and within the Member States. For instance in almost 3 years since the entry into force of the MoU on the Black Sea Ring Highway, we still do not have an agreed route, and in particular the connection points between several Member States, like between Russia and Georgia, Armenia and Azerbaijan, Moldova and Ukraine, because of the respective zones.

In fact, in general the regional cooperation is affected by these unsettled issues and conflicts and several times, despite the commonality of interests in concrete projects or cooperation schemes, bringing into the discussion such politically controversial issues, finalization of the agreement of such projects or cooperation schemes is blocked.

However, we should persist in finding the common ground, above such political divergences, and in agreeing on the development of regional projects and cooperation, in particular in boosting intra-regional trade and investment. This creates new common interests of the Member States which in turn, in time, can help creating better conditions for approaching and settling the political disputes and conflicts.

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