



ORGANIZATION OF
THE BLACK SEA ECONOMIC COOPERATION

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Promoting Trade and Economic Cooperation in the Black Sea Region – an Assessment of Future Opportunities

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The Organization

- BSEC came into existence on 25 June 1992 in Istanbul at the Meeting of the Heads of State or Government of Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey, Ukraine.
- BSEC is a regional undertaking, which belongs to the generation of regional organizations that have appeared shortly after the end of the Cold War.
 - ♦ It was conceived as a political and economic framework aimed at fostering peace, stability and prosperity in this area.
 - ♦ With the adoption of its **Charter that entered into force in 1999**, BSEC became a full-fledged regional organization.
- **Member States:** BSEC brings together the 6 Black Sea littoral states – Bulgaria, Georgia, Romania, Russia, Turkey and Ukraine – and 6 other neighbouring states – Albania, Armenia, Azerbaijan, Greece, the Republic of Moldova and Serbia.

The Organization (Ctd.)

- **BSEC Related Bodies** and Affiliated Centers consist of :
 - ◆ The Parliamentary Assembly (PABSEC)
 - ◆ The Business Council (BSEC-BC)
 - ◆ The Black Sea Trade & Development Bank (BSTDB)
 - ◆ The International Center for Black Sea Studies (ICBSS)

- **Observers:** Austria, Belarus, Croatia, the Czech Republic, France, Germany, Italy, Poland and Slovakia, and also the European Commission as well as non-European countries such as Egypt, Israel, Japan, Tunisia and the United States have Observer status in BSEC.

- **Sectoral Dialogue Partners:** Hungary, Iran, Japan, Jordan, Republic of Korea, Montenegro, Slovenia and the United Kingdom, on the other hand, as well as various regional governmental and non-governmental organizations have Sectoral Dialogue Partnership status.

The Economic Agenda

- After over 20 years of multilateralism, the Member States made progress in shaping a common vision of their cooperation through the BSEC.
- The Council of Ministers of Foreign Affairs (Belgrade, 11 June 2012) adopted the *BSEC Economic Agenda: Towards an Enhanced BSEC Partnership*, subsequently endorsed by the BSEC Summit, held in Istanbul on 26 June 2012, to face the new challenges and opportunities in the global and local environment.
- The *Economic Agenda* is a major document of a strategic nature for guiding the cooperation in the BSEC framework in order to meet the goals set by the BSEC Charter.
- All the BSEC bodies are currently considering actively specific action to implement the *Economic Agenda*.
- Particular attention is given to strengthening the project-oriented dimension of the Organization and to identifying new concrete and feasible joint projects that would be of interest to the Member States.

Activities of interest for the development of ports

Trade facilitation

- On 25 September 2014 BSEC together with the UN-ECE will organize a Joint Regional Seminar on Trade Facilitation and Single Window.
- The objectives of the Seminar are to:
 - a)** review the readiness of the countries to implement the WTO Agreement on Trade Facilitation;
 - b)** present the concept of a regional trade facilitation strategy;
 - c)** present and promote the concept of a Port Community System (local Single Window) as an instrument for trade facilitation in the region; and
 - d)** foster the development of regional cooperation and exchange of information among port community systems in the BSEC Region.
- The expected accomplishments of the Seminar would be to:
 - 1.** Propose a draft regional strategy for trade facilitation;
 - 2.** Advance the implementation of Port Community Systems;
 - 3.** Promote a regional network combining various trade information exchange systems in the BSEC Member States, using international standards for trade data exchange.

Cooperation in the field of Transport

- Since its inception, BSEC paid special attention to cooperation in transport.
- The Organization has developed several important regional projects, mutually complementary, which are of major significance for the Black Sea Region, as well as for the Euro-Asian Region.
- In their meetings, the Ministers of Transport of the BSEC Member States underlined the importance of developed transport infrastructure, and of the measures for facilitating transport procedures.
- Special attention was also paid to the integrated approach in maritime and inland waterways activities, including the development of competitive shipping and port infrastructure for providing sustainable multimodal transport and contributing to the development of Eurasian transport links.
- The Ministers encouraged elaborating joint transport projects of regional impact with various financial schemes, including BSEC mechanisms, Public-Private Partnership, and with the participation of other international organizations and financial institutions.

Major Transport Projects

- **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 project on the development of the Motorways of the Sea (MoS) in the BSEC Region** aims at creating the necessary infrastructure for better connecting the Black Sea ports and, also, the Black Sea with the Mediterranean and the Caspian Seas, which include:

- upgrading of port facilities;
- identification of projects of common interest;
- securing free and fair competition in international shipping;
- facilitation of access to all modes of transport; and
- enhancement of maritime security and safety in the BSEC Region.

In accordance with the approved Concept of the Master Plan, the future work on the development of the MoS will focus on:

- ◆ concentrating flows of freight on sea routes in order to establish new viable, regular and frequent maritime links for the transport of goods between BSEC Member States;
- ◆ developing high quality ports, with modern infrastructure and superstructure;
- ◆ analysing the MoS Ports with a view to identifying key links, key nodes and interconnections needed to eliminate bottlenecks and to improve the interoperability on main routes;

- ◆ the optimization of the capacity and efficiency of existing ports in order to promote intermodal services;
- ◆ integration of safety and environmental concerns in the design and implementation of the MoS;
- ◆ promotion of sustainable mobility of persons and goods.

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

An **Ad Hoc Working Group** was established in order to implement the MoS project, consisting of representatives of the BSEC Member States.

The Ad Hoc Working Group is supported by a **Joint Technical Secretariat**, managed on a two year term rotation basis – currently by the Maritime Authorities of Turkey, to be followed by the Maritime Authorities of Romania, the Russian Federation and Ukraine until 2021.

Elaboration of a Regional Integrated Maritime Policy

- The issue is under consideration of the Working Group on Transport
- The purposes of shaping up such a policy would be:
 - ◆ creating conditions for maximum increase in the sustainable exploitation of the Black Sea;
 - ◆ improving the quality of life and developing the maritime sector in the costal areas;
 - ◆ developing a competitive, environmentally friendly and safe maritime transport.

Development of Multimodal Transport

More recently, proposals were made for expanding the activities of BSEC to include also the development of multimodal transport, which were well received by the Member States.

These initiatives are expected to broaden the maritime cooperation by widening the frameworks for participation of different modes of transport and by creating horizontal synergies in their work.

Cooperation in the field of Tourism

- It is largely acknowledged that the Black Sea area possesses a great potential for the development of tourism.
- The Ministers in charge of Tourism and Heads of the Tourism Administrations of the BSEC Member States have agreed *inter alia* to:
 - ♦ “elaborate a regional tourism management programme that prioritizes the efficient use of the resources of the Black Sea region and avoid damaging its current environmental conditions by encouraging the progressive transformation into a greener economy”; and
 - ♦ “strengthen mutual cooperation and exchange information to promote cruise and yacht tourism”.

Maritime and nautical tourism cooperation I

This is a permanent item on the agenda of the BSEC Working Group on Cooperation in Tourism, providing the opportunity for useful exchanges of information among our Member States and identifying areas of common interest.

Development of Cruise Tourism in the BSEC Region

- This is a new project proposed in 2013 by Ukraine.
- **17 Black Sea ports were identified as destination, which correspond to the requirements of developing a cruise industry, in particular tourist attractiveness and accessibility of the port.**
- For the development of the cruise industry in the Black Sea Region, it is necessary to continue the creation of conditions such as:
 - landing strips over 600 meters;
 - a well-developed port infrastructure, including passenger terminals with high-capacity, platforms for passengers landing and bus parking;
 - tourist infrastructure of port cities such as roads, parking places for tourist buses, sustainable connection “port-hotel-airport”.

Need for synergies

- The above mentioned projects of regional cooperation aim at positioning worldwide the BSEC area not only as an inter-transport hub but also as a cultural and tourist destination could be of interest also for planning of ports development.
- The *Black Sea ports will continue play their considerable role in world trade and tourism* in the coming years and it is to be expected that the significance of the Black Sea for the regional and world trade and tourism will pay its role in attraction of investments for the development of its seaports.
- The regional cooperation activities of BSEC are strengthened by involvement and support received from other international organizations and institutions.

- In fact, much of the BSEC success in the development of cooperation in transport, tourism and other areas belongs to its fruitful teamwork with other international and regional organizations, governmental and non-governmental, and business associations, and in particular:

- BASPA (Black and Azov Seas Ports Association);
- BINSIA (Black Sea International Shipowners Association);
- BRASS (Black Sea Region Association of Shipbuilders and Shiprepairers); and
- BSEC-URTA (Union of Road Transport Association in the BSEC Region).

- The transport and tourism developments in the region demand the continued input of the private sector and joint efforts of the public and private sectors in seeking innovative approaches for the improvement of regional infrastructure networks, the removal of physical and administrative barriers, and for increasing the transit capacity of the regional trade flows.

- It also require identifying new joint priority projects of regional impact, to be implemented through existing BSEC mechanisms, public-private partnerships and other funding schemes, with the support of other international organizations and financial institutions.

- This is what motivates our Organization in participating in this Conference.
- Wishes for fruitful discussions to the participants.

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