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European Institute of Romania

Project SPOS 2007 – Strategy and policies studies

Study no. 4

TOWARDS A EUROPEAN STRATEGY IN THE BLACK SEA AREA. THE TERRITORIAL COOPERATION

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Abbreviations and Glossary

ACCOBAMS – Cooperation agreement on preserving maritime mammals
ACPR – The Alliance of Employers' Confederations in Romania
RDA – Regional Development Agency
ADAF – Association for Development Women's Entrepreneurship
AEBR – Association of European Border Regions
ANAR – National Administration "Romanian Waters"
ANEIR – National Administration of Exporters and Importers in Romania
ANP – National Association of Employers
AQUAPOL – International European Police Co-operation on the Water, a European partnership of water police forces and inland navigation inspectorates
ARD – Regional Development Agency
BCSECU – Black Sea and Caspian Sea Entrepreneurship's Confederation Union
BENELUX – Economic union of Belgium, The Netherlands and Luxembourg, initially created as customs union
BLACKSEAFOR – Black Sea Naval Cooperation Task Group
BOOMMOLUK – EU project which aims at training 50 Moldovan and Ukrainian customs officials in the EU regarding the European border crossing practices
BPOL/BGS - the uniformed federal police force of Germany (*Bundespolizei*). The *Bundespolizei* was previously known as the *Bundesgrenzschutz* (BGS) (Federal Border Guard) until July 1, 2005 when the law renaming the BGS as the BPOL was enacted
BSB- Black Sea Basin
BSC – Black Sea Commission
BSF –Black Sea Forum for Dialogue and Partnership
BSR – Black Sea Region
BSBJOP – Black Sea Basin Joint Operational Programme 2007-2013
BSCA – The Black Sea Capitals' Governors and Mayors Association
BSCF – Black Sea Coast Forum
BSECAO – Black Sea and Central Asia Economic Outlook
BSEC – Black Sea Economic Cooperation
BSECO – Black Sea Economic Cooperation Organization
BSEP – Black Sea Environment Programme
BSERP – Black Sea Environmental Recovery Project
BSR – Black Sea Region
BSSSC – Baltic Sea States Subregional Cooperation
BWM – International Convention for Control and Management of Ship's Ballast Water and Sediments
CADSES – Central, Adriatic, Danubian and South-Eastern European Space
CAFA – Coalition of associations of business women
CBC – Cross Border Cooperation
CCIR – Chamber of Commerce and Industry of Romania
CEFTA – Central European Free Trade Agreement
CEMAT – The European Spatial Planning Ministerial Conference
CEPS – Centre for European Policy Studies
CESA – European Association of Shipyard Community

CIBC – Caspian Integration Business Club
CMEPCSEE – Civil-Military Emergency Planning Council in South-Eastern Europe
CO₂ – Carbon dioxide
COASTLERN – Multimedia long distance education package for Eastern Europe on the integrated management of coastal areas
COEST – Conference of East European States
COLPOFER – Collaboration of railway police and security services (*Collaboration des services de police ferroviaire et de sécurité*)
CSI – Container Security Initiative
DABLAS – Danube-Black Sea Task Force
DADL – Dobrogea Waters Office- Constanța littoral
EU-15 – European Union with 15 Member States
EU-25 – European Union with 25 Member States
EBRC – East Border Regions Committee
ECE DG – European Commission’s Environment Directorate-General
EEA – European Environmental Agency
EECAC – Eastern Europe, Caucasus and Central Asia
EEIG – European Economic Interest Grouping
EMSA – European Maritime Safety Agency
ENPI – European Neighbourhood and Partnership Instrument
EOMMEX – The Hellenic Organization of Small and Medium Sized Enterprises and Handicraft S.A., a non-profit public organization operating under the auspices of the Ministry of Development
ESPN 2013 – European Spatial Planning Observation Network
EUBAM – European Union Border Assistance Mission
EuDA – European Dredging Association
EUREGIO – European Region
EuropeAid – EuropeAid Co-operation Office
Europol – European Police Office, the European Union law enforcement organization that handles criminal intelligence
EUWI – EU Water Initiative
ETC – European Territorial Cooperation
CF – Cohesion Fund
EEZ – Exclusive Economic Zones
EFDR – European Fund for Regional Development
ESF – European Social Fund
EGTC – European Grouping for Territorial Cooperation
ESDP – European Security and Defence Policy
ENP – European Neighbourhood Policy
FDI – Foreign Direct Investments
FPZ – Fisheries Protection Zones
FRONTEX – European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union
GDP – Gross Domestic Product
GEF – Global Environmental Fund

GIRMIFS – Romanian Interdepartmental Group for the State Frontier Integrated Management

GMFUS – German Marshall Fund of the United States

GOOS – Global Ocean Observing System

GUUAM – Georgia, Ukraine, Uzbekistan, Azerbaijan and Moldova

HELCOM – Helsinki Commission

ICPDR – International Convention for Protection of the Danube River

IFI – International Financial Institutions

IMO – International Maritime Organization

IOM – International Organization for Migration

INFOTAG – News agency in Republic of Moldova

INTERREG – Interregional Cooperation Programme; the INTERREG IVC Programme is part of the European Territorial Cooperation Objective of the Structural Fund Policies for the period 2007-2013

INTERACT II – Programme funded by the European Regional Development Fund

ISPS Code – International Ship and Port Facility Security Code

IUU – Illegal, Unregulated and Unreported Fishing

JICA – Japanese International Cooperation Agency

JRC – Joint Research Centre

KLPD – National Police Services Agency (*Korps landelijke politiediensten*), the Dutch police

KOSGEB – Small and Medium Industry Development Organization, a semi-governmental institution affiliated with Ministry of Industry and Trade of Turkish Republic

MAE – Ministry of Foreign Affairs of Romania

MARTOB – On Board Treatment of Ballast Water and Application of Low-sulphur Marine Fuel, a three year project (2001-2004) under the Competitive and Sustainable Growth (GROWTH) Programme, funded by European Commission

MATRA – Matra Projects Programme, a Dutch programme to provide support to civil society and local government in selected countries in Central and Eastern Europe and certain neighbouring countries of the European Union

MDR – Ministry for Regional Development of Romania

MIRA – Ministry of Interior and Administrative Reform of Romania

ICZM – Integrated Coastal Management System

MMDD – Ministry of Environment and Sustainable Development of Romania

NATO – North Atlantic Treaty Organization

NCACC – Nordic Council Agreement on Cross Border Cooperation

NOx – Nitrogen Oxides

NUTS – Nomenclature of Territorial Units for Statistics; a statistical definition according to which regions of various sizes, populations and economic structures are comparable units for analysis (*Nomenclature des Unités Territoriales à des fins Statistiques*)

NWRCBG – North West Region Cross Border Group

NGO – Non-governmental organization

OEDG-GUAM – Organization for Democracy and Economic Development – GUAM

OSCE – Organization for Security and Cooperation in Europe

PAMINA – French-German programme of cross border cooperation and an EU border region along the French-German border in the Northern part of the Rhine Valley near Karlsruhe

PETCs – Pan-European Transport Corridors

PHARE – Poland and Hungary Aid for Reconstruction

PPP – Purchasing Power Parity

PSAMN – Strategic Action Plan for the Black Sea

RAILPOL – The international network of European railway police

RBMU – Research base for multiple users

RCMP – River Catchment Management Plan of the Danube River

SECI Centre – Southeast European Cooperative Initiative Regional Center for Combating Trans-Border Crime

SEE – Strategic Environmental Evaluation

SME – Small and Medium Enterprises

SOP – Sectoral Operational Programme

SR 2000 – Silk Road 2000

TACIS – Technical Aid to the Commonwealth of Independent States

TAKO – Transnistria, Abkhazia, Nagorno-Karabagh and South Ossetia

TDA – Black Sea Transboundary Diagnostic Analysis, the systematic scientific analysis of the root causes of environmental degradation in the Black Sea

TEN-T – Trans European Network – Transport

TREBAWA – Treatment of Ballast Water

UNBCCE – Union of the Black Sea and Caspian Confederation of Enterprises

UN – United Nations

UNCLOS – United Nations Convention of the Law of The Seas

UNDP – United Nations Development Programme

UNESCO – United Nations Educational, Scientific and Cultural Organization

URBACT – EU programme which aims to develop exchanges of experience between European cities and the actors which have been involved in the URBAN programmes, initiated and implemented by the EU since the late 1980s

USAID – United States Assistance for International Development

UTS – Territorial Units for Statistics

VITOPIS – Vessels International Traffic Observation and Pollution Information Systems

WTO – World Trade Organization

WWF – World Wildlife Fund

Chapter 1

The Geopolitical and Geo-strategic Profile of the Black Sea Region

Area directly neighbouring the EU and an emerging security complex within the geopolitical and strategic area of the Greater Middle East, the Black Sea Region has a major strategic importance for the European Union and the Euro-Atlantic community. It is part of an unfinished historical process of erasing the Cold War legacy and of building stability and democracy in Europe. This process, which started in Central Europe, Baltic Sea and South-Eastern Europe, has recently included the Black Sea area as well. The most decisive moment which led to a change in the Western perception of this area was 9/11. Against the background of the redefinition of the *Heartland*, the Black Sea area has been “rediscovered” by the West and pushed “from the periphery to the centre of Western attention”.¹

1.1. The Black Sea Region

In the European Commission point of view, the Black Sea Region represents a distinct area, which comprises 10 states: 6 littoral states – Bulgaria, Romania, Ukraine, Russia, Georgia and Turkey – and 4 states – Armenia, Azerbaijan, Moldova and Greece – whose history, proximity and close ties with the Black Sea area make them relevant actors in this area. Thus, the *European* definition for the Black Sea area is overlapping the concept of *Wider Black Sea Region* which was promoted, previously, by NATO in its relations with the allies and partners in the area. While from the geographical coverage point of view the two concepts are rather similar, at the level of intention can be distinguished certain differences. The North-Atlantic Alliance, highlighting the fact that the Wider Black Sea Region is both a bridge towards the energy rich region of the Caspian Sea and a barrier in front of the trans-national threats, promotes a “bridge/barrier” concept regarding the area.² For EU, the Black Sea Region represents a distinct area for the implementation of European Neighbourhood Policy (ENP) which aims at setting up at its borders a “ring of friends”, as Romano Prodi put it, where the EU principles, values and way of governance are respected and promoted to a greater or lesser extent.³ If we accept that the last wave of enlargement towards the East meant that the control of the Union

¹ Ronald D. Asmus, Bruce P. Jackson, „The Black Sea and the Frontiers of Freedom”, in *Policy Review*, No. 125, June-July 2004, pp. 17-26. The article was republished in Ronald D. Asmus, Konstantin Dimitrov, Joerg Forbrig (editors), *A New Euro-Atlantic Strategy for the Black Sea Region*, The German Marshall Fund of the United States, Washington D.C. and Bratislava, 2004, pp. 17-26. See also Adrian Pop, „Challenges and Opportunities in the Black Sea Region”, in *Security and Stability in the Black Sea Area*, National Defence University „Carol I”, Centre for Defence and Security Strategic Studies, National Defence University „Carol I” Publishing House, Bucharest, 2005, p. 86.

² Adrian Pop, “NATO and the European Union: Cooperation and security”, *NATO Review*, summer 2007, <http://www.nato.int/docu/review/2007/issue2/english/art6.html>.

³ Romano Prodi, “A Wider Europe – A Proximity Policy as the key to stability”, in *Peace, Security and Stability - International Dialogue and the Role of the EU*, Sixth ECSA-World Conference, Jean Monnet Project, Brussels, 5-6 December 2002, SPEECH-02-619, http://www.europa.eu.int/comm/external_relations/news/prodi/sp02_619.htm.

was imposed on neighbours marked by instability and poverty, the ENP implementation means the extension of this project even further towards the East, way over the borders of the expanded Europe, more exactly the secondary stage of a process through which the “goods” to be “exported” are translated from the *internal* periphery, towards the *external* one of the enlarged EU.

The challenge represented by the implementation of this process within the Black Sea Region is far more important because it presents multiple geopolitical, geo-strategic and geo-economic connotations. As new south-eastern frontier of EU, the Black Sea Region represents, through its population of almost 200 million inhabitants, a giant market for the European Union exports. A transit area for oil and natural gas from Central Asia and Middle East towards Europe, the Black Sea Region represents also the chain link of an *emerging geopolitical and geo-economic axis Mediterranean Sea - Black Sea - Caspian Sea*. Last but not least, it is an area of illicit trafficking, organized crime and terrorism, and also a platform for military operations, reconstruction and stabilization in Afghanistan, Iraq and possibly Iran. At the same time, the region presents itself as a buffer zone where the Orthodox, Islamic and Western civilizations and cultures blend together.

1.2. The New Security Environment in the Black Sea Region

From a European angle, following the accession of Romania and Bulgaria into the European Union, the situation presents itself like this in the Black Sea Region: three countries are Member States of the EU – Greece, Romania, Bulgaria; a country is a candidate for the integration within EU – Turkey; five countries are covered by the European Neighbourhood Policy (ENP), without being offered a firm commitment and agenda of their accession into the Union – Moldova, Ukraine, Georgia, Armenia and Azerbaijan; and a key country benefits from a strategic partnership with EU – Russian Federation. Consequently, EU has contract-based relations, of a type or another, with all the countries in the region.

At present, the European integration is seen as offering the most attractive vision, through its economic and political model, for the region. At the same time, it is risky to be inadequate regarding the expectations of the population from the new democracies, if the implementation of the European model is not accompanied by a substantial financial assistance. The active implication of the EU in this region will be difficult to accomplish in the near future, taking into account the fact that at present the EU is concerned with the consequences of Union enlargement and the implementation of its Reform Treaty.

Even if the region has recorded some progress in the last few years, it continues to be afflicted by a several number of security risks and challenges, some of them with reverberations at a global level, which include: terrorism centres in Caucasus; proliferation of both weapons of mass destruction and dual-use products as well as illicit transborder trafficking with this kind of materials; massive migrations flows from Asia and Africa towards European Union; the neighbourhood of regions troubled by instability, tensions, conflicts and organized crime activities, including Central Asia, Caucasus and Western Balkans; degradation of the environment; natural disasters; the persistence of mutual distrust relations between some countries within the region (for

example, between Greece and Turkey); the upsurge of nationalistic and anti-Western trends in Turkey and the persistence of the Islamic pressures on it; the augmentation of separatist trends and the persistence of frozen conflicts; Russia's desire to come back in the forefront of the regional and international policy; energy dependence; poverty and economic underdevelopment; negative demographical trends; administrative inefficacy; and state fragility.

Over the last years, the problem of the failed states has been propelled in front of the European and international security agenda. The fragile state is the state that is not capable or does not desire to exercise the control of its territory, to guarantee its citizens' security, to implement efficient institutions for guaranteeing the political participation and the rule of law and to supply public goods such as education, health care and the structural bases for the economic growth.

The problem of the state fragility is particularly acute within the region, especially in Moldova and Caucasus states. In these states, weak and autocratic governments, extreme poverty, frozen conflicts (Transnistria and Nagorno-Karabakh) and the threats against the territorial integrity make together an unfortunate mixture, and the inadequate implementation mechanisms for the rule of law allows corruption and organized crime to blossom.⁴ More than that, Dagestan and Ingushetia have transformed themselves in fertile fields for developing the radical Islam, a generator for religiously motivated terrorism.

The connections between the state and the citizens are extremely precarious especially in Moldova. This country located at the external EU border has, according to the last census, 3.58 million inhabitants, out of which about 600 thousands outside its borders. In 2006 the Moldovan Diaspora has sent remittances in the country which represents, according to the World Bank, 38.2% of Moldovan GDP. Thus, ***Moldova placed itself at the top of 10 remittance recipient countries worldwide.***⁵ Just a small part of these remittances is invested in small businesses in Moldova (6.5%),⁶ the bulk of them being invested in consumption, children education and bringing family members abroad. The circumstance speaks about, once again, about the extreme fragile character of the relationship between the state and its citizens, which could undermine the base of the Moldovan statehood.

⁴ Iris Kempe, Kurt Klotzle, *The Balkans and the Black Sea Region: Problems, Potentials, and Policy Options*, CAP Policy Analysis 2/2006, p. 6.

⁵ The World Bank Migration and Remittances Factbook (2007), *Migration and Remittances in Moldova*, <http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1181678518183/Moldova.pdf>. It is not known the exact number of Moldovan emigrants, but the majority of the analysts say that the figure of 1million pronounced by Moldovan mass-media is exaggerated and consider that their evolution at about 600 thousand is one close to reality. The behaviour of Moldovan emigrants regarding remittances is highly entitled since the business and investing environment within Republic of Moldova is not at all friendly, and the state does not involve itself in the labour migration management of its citizens, work placement abroad being left exclusively in charge of private companies which, in most of the cases, request illegal taxes from those who wish to work abroad.

⁶ In the case of migrants that come from urban areas the proportion is a little bit higher, of 6.9%. See Boris Ghencea, Igor Gudumac, *Migrația de muncă și remitențele în Republica Moldova (Labour migration and remittances in the Republic Moldova)*, Organizația Internațională a Muncii/Aliața Microfinanțare Moldova/Fundația Soros Moldova, Chisinau, 2005.

The conflicts within the Black Sea Region not only remained unsolved, but also kept untouched their potential for re-ignition. The relations between Armenia and Azerbaijan still remain affected by the conflict in Nagorno-Karabakh. Georgia does not control almost 18 percent from the national territory, being confronted with the secessionist movements in Abkhazia and South Ossetia. The territorial integrity of the Republic of Moldova is threatened by the authorities in Tiraspol who control Transnistria, a thick territorial strip at east of Dniester, but extremely important for the elements of the organized crime and illegal immigrants. Russia remains geared in the Chechen conflict, and the entire north of Caucasus remains a nest of hornets of separatist movements and ethnic movements, which start to threaten not only the stability of Russian Federation, but that of the whole region.

Against the background of not solving the frozen conflicts, the separatist forces have become more and more active, and the territories controlled by them, the heaven of crime elements. From this point of view, an important risk factor within the region represents the unofficial organization which brings together the unrecognized republics of Transnistria, Abkhazia, Nagorno-Karabakh and South Ossetia – **TAKO**. The leaders of these state-like entities pay mutual visits, promise to each other political and military support, sign economic agreements, and produce and involve themselves in trafficking with weaponry for conflict areas.

A special strategic challenge for the Black Sea Region regards its capacity to play the part of a connection link in the transport of Eurasian energy resources towards the European Union consumers. Against the background of terrorist threats coming from the Middle East, increase need of energy resources of China's and India's economies and of the syncope in Europe's supplying with Russian energy resources, the Euro-Atlantic community is vital interested in diversifying the energy supply sources. In this context, the Black Sea Region is meant to be a pivotal area for the oil and natural gas transportation from the Caspian Sea and Central Asia towards the Western markets. While the U.S. has involved itself early on in projects regarding energy security in the Black Sea, European Union has started just in the last couple of years to understand the importance of the development of an external energy strategy which may incorporate a focus on transport corridors involving the countries in the Black Sea Region. *The Green Paper on Energy*, adopted on the 8th of March 2006 and the report *An Energy Policy for Europe*, adopted by the European Commission on 10th of January 2007, which states the central energy goal - the reduction with 20 % of the gas with greenhouse effect until 2020 – and the guidelines for a new European energy policy, confirm this goal.⁷

On 25th of May 2005 the Baku-Tbilisi-Ceyhan pipeline, which transports oil from Azerbaijan through Georgia and Turkey towards the Mediterranean Sea has been officially inaugurated. Future extensions of this pipeline that would involve the transport of the oil and the natural gas from Kazakhstan and Turkmenistan are in different stages of constructions or negotiation. Other important projects are the Baku-Tbilisi-Erzurum gas pipeline and the planned gas pipeline Nabucco, which will connect Europe to the gas

⁷ *An Energy Policy for Europe*, Memo, European Commission, Directorate-General for Energy and Transport, January 2007, http://ec.europa.eu/energy/energy_policy/index_en.htm.

Turkish net through Romania, Hungary and Austria.⁸ Also in 2005, but in November, has been inaugurated the Blue Stream gas pipeline from Russia to Turkey. Thus, it can be said that Black Sea already has transformed itself in a commercial route which connects Europe, using its south-east shores, to Caucasus and other parts of Asia.

But the opening and the gradual transformation of the region has generated costs in the security domain: massive waves of illegal immigrants from Asia and Africa transit the Black Sea area countries, especially Ukraine and the Republic of Moldova, in their way towards European Union, and the elements of the organized crime are more active as ever in the area.

Another serious threat to security and stability of the area represents the trafficking in small arms and light weapons, military equipment, ammunition and strategic materials, which is a consequence of the co-operation between terrorist groups and the mafia active in the region, especially in the ex-Soviet area. A part of the weaponry for traffic is transported using Black Sea harbours, the maritime routes for smuggling being considered by traffickers safer than the terrestrial ones. Especially worrisome has also become the trafficking in drugs, privileged by the market development on production and drugs consumption, and also by the change and the diversification of the routes, which include maritime ones. According to some assessments, approximately 10% of illicit trafficking through the Black Sea Region uses maritime routes.⁹

An extremely serious phenomenon is the maritime piracy, phenomenon which was considered to be history, but which, throughout the last period, has experienced a come back. Nowadays, the piracy is a specific activity for both the national and international networks of organized crime. An alarming tendency is the one of the increase of the independence between piracy and terrorism, maritime piracy becoming one of the key tactics of the terrorist groups. Unlike the classic pirates, that had as a main purpose the economic gain, the modern pirates are terrorists of the sea, “armed” with extremist ideology, sophisticated means and a radical extensive political agenda. This nexus between the piracy and terrorism is very dangerous, especially for energy markets, the maritime transportation of the oil and gas being extremely vulnerable in front of the attacks of this type (only through Bosphorus straits, which connects Black Sea with the Mediterranean, over 500 petroleum tanks pass yearly).

1.3. Positions of the Riparian States

An area of overlapping Western interests with Russian ones, the Black Sea area is now a region in where two integrative systems met: the one of the Euro-Atlantic community, represented by the North-Atlantic Alliance (NATO) and the European Union (EU); and the one of the Commonwealth of Independent States (CIS), under the Russian decisive influence. From a strategically point of view, starting with 2007, for the first time in its recent history, the positioning of the six Black Sea riparian states pictures a situation

⁸ Ariel Cohen and Conway Irwin, “U.S. Strategy in the Black Sea Region”, *Backgrounder* No. 1990, December 12, 2006.

⁹ Eugene B. Rumer and Jeffrey Simon, *Toward a Euro-Atlantic Strategy for the Black Sea Region*, Institute for National Strategic Studies Occasional Paper 3, National Defence University Press, Washington, D.C., April 2006, p. 22.

somehow of parity and equilibrium: three NATO Member States (Romania, Bulgaria, Turkey) – out of which two of them also Member States of the European Union (Romania and Bulgaria), and one a candidate for the integration into EU (Turkey); and three CIS Member States (the Russian Federation, Ukraine and Georgia) – out of which one withdrew from the Council of CIS Defence Ministers (in February 2006) having clear aspirations for integration in NATO and EU (Georgia), and another one which not just remained in CIS as a member with full rights, but also entered in the Common Economic Space under Russia's aegis,¹⁰ a fact which does not prevent it to declare, at least at a rhetorical level, as strategic goals, the integration into NATO and EU (Ukraine).

The main vulnerabilities which confront the region remain the grand differences between the countries situated in the western part of the Black Sea area and the ones situated in the eastern part, the different development stages of the countries which compound the region and the lack of a real regional identity.

Both **Romania** and **Bulgaria**, as eastern border countries of the Euro-Atlantic community, see themselves as part of both NATO and EU bridge to trade and energy and the barrier to transnational threats emanating from the Black Sea region. At the same time, both countries have become active promoters of the American security interests in the area.¹¹ However, while Romania has managed to get just one project in the area of energy security, with a modest span in the area, Constanta – Trieste oil pipeline, Bulgaria has secured itself not only the western support, but the one of the Russians, too, for the important Burgas - Alexandroupolis oil pipeline project.¹²

The new conditions after the Cold War have offered **Turkey** a pivotal state within NATO, having a special relation with USA, an opportunity for regional leadership within the Black Sea area. Against all the historical and strategic divergences, Turkey has deepened its economical and political relations with Russia, an orientation that has gained a special popularity in Ankara. Russia ranks as Turkey's third largest source of imports, and the Russian gas covers nearly 70% of the Turkey gas consumption. The Blue Stream gas pipeline, built according to a 1997 agreement between Ankara and Moscow, has placed itself in a direct competition with the East-West energy corridor from the Caspian Sea to the Mediterranean Sea, which the Turkish government labelled its number 1 strategic priority at the time. The Turkish-American tensions connected with the war from Iraq and its impact against its Kurdish population have tested even more the special relation with the U.S. On the other hand, the Black Sea Harmony operation, launched by Turkey in 2004, initially as a national initiative, subsequently as a regional initiative opened to all Black Sea riparian states for preventing and discouraging terrorist acts and

¹⁰ In the Common Economic Space take part Russia, Kazakhstan, Ukraine and Belarus.

¹¹ While Romania has added to its stance messages with anti-Russian content, Bulgaria has adopted a more prudent attitude towards Russia.

¹² Ion Naval, "Regiunea Mării Negre din perspectiva diplomației hidrocarburilor" (Black Sea region from the hydrocarbon diplomacy perspective), in *Moldova pe calea democrației și stabilității. Din spațiul post-sovietic în lumea valorilor democratice (Moldova on the path of democracy and stability: From the post-Soviet space in the world of democratic values)*, Cartier, Chisinau, 2005, pp. 208-210.

¹³ Owen Matthews and Seth Colter Walls, "It's Not About the West", *Newsweek*, November 5, 2007, pp. 22-24.

the illicit trafficking with weapons of mass destruction, has gained the special appreciation of the USA, geared in the “war against terror”. Even if it succeeded to become an EU candidate country, Turkey continues to confront with the Brussels’ critiques regarding the excessive influence of the military establishment on the body politic, the poor record of the human rights’ observance (especially of the Kurdish minority) as well as of the equality in opportunities between men and women, and also with apprehensions connected to the place and role of an Islamic state in an united Europe. Disappointed, on the one hand, by the Turk-scepticism of the new political leaders of France (President Nicholas Sarkozy) and Germany (Chancellor Angela Merkel), that have spoken about a second rank associate member status for Turkey, and, on the other hand, about the refusal of its old ally, USA, to intervene against the Kurdish guerrillas which launch attacks in the border area along the Northern Iraq, Turkey has reoriented itself in a pragmatic way, rebounding and developing diplomatic-political cooperation with Syria and Iran, which support its security goals in the area.¹³ The wave of nationalism, Euro-scepticism and anti-Americanism that lately came upon a large part of the Turkish population risks to make more difficult for Turkey to undertake the role that seemed to be meant for it, as a connection bridge and anchor for the West in the Wider Black Sea Region and Greater Middle East.

After a rather long period of time of withdrawal within itself and focus on the restructuring problems of the society and CIS strengthening, concomitantly with the diversification of the partnerships with the USA and EU and the relations with the Far East states, throughout the last couple of years the **Russian Federation** has powerfully returned not only in the world politics, especially in the one with energy bends, but also in the regional one, declaring that it has “come back” in the Balkans and the Black Sea. The most significant from this point of view remains the gesture with geopolitical and symbolic connotations of planting its proper flag on the bottom of the Frozen Ocean, the interruptions in supplying with energy its neighbours and the whole Europe (for the world energy issue), the rigidity shown on the matter of the Kosovo province independence (for the Balkan issue) and the Kremlin’s leader refusal to participate at the Black Sea Forum in Bucharest (for the Black Sea issue).

The Black Sea Region has a top place on the Russian national security agenda. The main concern in the region is represented by the long-running insurgency in Chechnya, which threatens to spill over into Dagestan or Georgia, with serious internal and external consequences for Russia and other countries within the region. The serial of terrorist attacks in the last years – in Moscow, Beslan, and Nalchik – involving Chechen terrorists, as well as members of other ethnic groups from the Caucasus region, shows that the Kremlin authorities have not succeed to “contain” the conflict. More than that, it threatens to contaminate the rest of northern Caucasus.

Kremlin has not succeeded to strengthen its relations with the EU in the “block to block” system, as it has wished, but it managed to come back forcefully on the European energy market with the help of some transnational companies or owned by other states from the ex-Soviet space, and so to generate a certain fault between the European governments that were leaning towards uncompromising positions on issues like energy and human rights, and the ones which, due to energy dependency and the desire to forge strategic partnership with Russia, were leaning towards certain concessions vis-à-vis Moscow.

A European Council on Foreign Relations policy paper has identified no less than five distinct policy approaches to Russia on the part of new and old EU Member States alike: “Trojan Horses” (Cyprus and Greece) who often defend Russian interests within the EU, and are willing to veto common EU positions; “Strategic Partners”(France, Germany, Italy and Spain) who maintain a “special relationship” with Russia which sometimes undermines common EU policies; “Friendly Pragmatists” (Austria, Belgium, Bulgaria, Finland, Hungary, Luxembourg, Malta, Portugal, Slovakia and Slovenia) who have a close relationship with Russia and tend to put their business interests above political goals; “Frosty Pragmatists” (Czech Republic, Denmark, Estonia, Ireland, Latvia, the Netherlands, Romania, Sweden and the United Kingdom) who also focus on business interests but aren’t reluctant to criticize Russia’s behaviour whenever it is a need for it; and “New Cold Warriors” (Lithuania and Poland) who exhibit an undisguised hostility towards the Kremlin and are willing to use the veto to block EU negotiations with Russia.¹⁴ It remains still to be seen if following the agreement on strategic cooperation signed in Moscow, on the 6th of July 2007, by Rosneft and Royal Dutch Shell companies, the Netherlands has not already moved from the “Frosty Pragmatists” category, to that of “Strategic Partners”.¹⁵

Moreover, Russia has proven to be quite efficient in taking over strategic economic positions of Romania’s and Bulgaria’s markets before and after their integration in NATO and EU, mostly on transport, distribution, and oil and natural gas processing markets, to improve its relations with Turkey and Iran and to strengthen considerably its influence in Republic of Moldova and Ukraine. Besides its unquestionable position of last arbiter in the regional conflicts, Russia has managed to impose itself thanks to its economic force in on-going expansion, within which the energy component plays a significant role. In May 2007, President Putin carried out a strategic tournament in Kazakhstan and Turkmenistan, which ended up by getting hold of new advantages in the geopolitics’ energy of the region. On that occasion President Putin announced the building of a new gas pipeline that will connect Turkmenistan with Russia, as an alternative to the USA project to build a gas pipeline towards Europe that will come around Russia, and also the fact that Russia and Kazakhstan will set the bases of a custom union, after Moldova joins the World Trade Organization.

The wave of political changes from Georgia, Ukraine and Kyrgyzstan, labelled too easily “revolutions” (“rose”, “orange” and “pink”) have been perceived by Kremlin as meant to undermine and making unstable the Russian influence in the region. In South Caucasus, with Georgia and Azerbaijan following policies of active engagement with NATO, Armenia remained the only strategic partner of Russia.

After the 9/11 attacks, Russia has participated in the NATO operation Active Endeavour. In June 2006, a Russian patrol ship took part in the military manoeuvres organized under NATO’s aegis. On the other hand, Moscow is resolutely against the permanent presence of the NATO fleet (USA, Great Britain, Germany, Greece, Italy, Holland and Spain) in the Black Sea Basin. The Kremlin deems that the extension of Active Endeavour military

¹⁴ Mark Leonard and Nicu Popescu, *A Power Audit of EU-Russia Relations*, Policy Paper, European Council on Foreign Relations, 2 November 2007, pp. 2, 27-50.

¹⁵ „Rosneft, Shell agree on strategic partnership”, in *New Europe*, July 15-21, 2007, p. 10.

exercises in the Black Sea area could lead to the escalation of the tensions in the region, being also a gesture of disregard vis-à-vis the states of the region, capable, according to Moscow, to manage on their own the security of the Black Sea Basin.

Located at the crossroads of three geopolitical areas – Euro-Atlantic, Euro-Asian and Islamic – **Ukraine** has continued in recent years the traditional political and economic balancing act between East and West, remaining captive to the fault line between Russia and the Euro-Atlantic community. Energy dependent to Russia, Ukraine is at the same time an important part for the western networks for transport of Caspian energy. Taking advantage on the fact that, on one hand, Russian Federation has attempted to block the Caspian oil transport through the Odessa-Brodi pipeline, and on the other hand, the EU has assigned funds for its enlargement until the Baltic Sea, Ukraine has gained certain advantages from both of them. Despite the new pro-Western government installed in Kyiv, the tight score got by the pro-Western political forces against the pro-Russian ones on the anticipatory elections in October 2007 will make more likely the carrying on in future the political and economical vacillation between West and East. Among the problems now in discussion by Ukraine in the Black Sea area are the dilemmas regarding the transit of energy resources, the disagreement with Russia regarding Tuzla Island and the controversies with Romania regarding the Serpent Island, the delimitation of the continental plateau and of the exclusive economic areas and the Bastroe channel.

For **Georgia**, the main security challenge remains the restoring of its sovereignty over Abkhazia and South Ossetia. This depends to a large extent on Georgia's relationship with Russia, which has supported the secessionist provinces, is against Georgia aspirations to becoming a NATO member and carries out on its territory military actions against the Chechen terrorist groups, under the alleged reason that Georgia is unable to securitize its frontiers.¹⁶ The main endeavour entrusted by the West to Georgia is to securitize the national sector of the Baku-Tbilisi-Ceyhan oil pipeline. However, secessionism and the instability of the domestic politics, which lead President Saakashvili to decree the state of emergency in November 2007 for a period of 15 days on the entire territory of the country, put seriously under a question mark the capacity of Georgia to undertake this role.

1.4. Positions of the Regional Organizations

The regional cooperation is known to have an important potential for dissipation the new potential fault lines resulting from NATO and EU expansion in the Black Sea Region and to have a positive impact upon the energy and the environmental security, and the new transnational security threats, like terrorism and weapons of mass destruction proliferation, the traffic in human beings, drugs, small and light weapons and fissionable nuclear material, and illegal migration.

¹⁶ There is the suspicion that behind the Chechen terrorists from Pankisi are the Russian secret services. See Vladimir Socor, *September 11 and the geopolitical revolution of our time*, Politeia – SNSPA, Bucharest, 2004, p. 22.

Black Sea Economic Cooperation Organization (BSECO) brings together, besides the 6 littoral states, other 7 South East European states, East European and Caucasus ones – Albania, Armenia, Moldova, Azerbaijan, Greece and Serbia and Montenegro. Moreover, other 13 states enjoy observer status, among which 7 are EU Member States (Austria, Czech Republic, France, Germany, Italy, Poland and Slovakia), and 6 are third countries in relation to the EU (Belarus, Croatia, Egypt, Israel, Tunisia and USA).¹⁷ Due to its large membership and high degree of institutionalization, **BSECO** has imposed itself as the most significant framework for multilateral collaboration within the region.

The initial plan stipulated in the **BSECO** economic agenda, to set up a free trade area has turned to be unrealistic and has obtained a limited political support. The diversity of the international engagements and the observance by several **BSECO** Member States of the EU legislation and regulations, have made the establishing of an economic regional regime to become an almost impossible task. The second initial goal, to create a cooperation process based on business interests, remained also unaccomplished, especially because of the fact that the private sector has remained to a large extent outside the decision-making process of the organization. Despite all these, the local elites consider that the organization has the highest impact on the security environment in the Black Sea Region.¹⁸ Indeed, besides the traditional concerns in the economic field, the organization has added to its agenda security concerns. Thus, in 1998, it established a working group to combat organized crime and deal with natural disasters. In 2002 it established working groups to deal with border controls, crisis management, and counterterrorism. In 2004 a network of liaison officers between the interior ministries of the member states was created. Thus, it can be stated that if not by *de jure*, at least *de facto*, **BSECO** has already exceeded its official status as a regional economic organization, undertaking tasks in the security field.

Among the factors which have a negative impact upon the development of **BSECO** one could mention: the lack of a benevolent leader or sponsor state for the organization, which can take upon itself a good part of its costs (Greece and Turkey playing just partially this role); the existence of some unresolved hard security problems among some of its members; the tendency to avoid tackling sensitive economic issues; the excessive bureaucratization; and the consensual decision-making mechanism.

The diversity of affiliation to different international organizations of **BSECO** member states (EU, NATO, World Trade Organization, and so on) remains perhaps the most attractive characteristic of the organization. This diversity will shape the guidelines of the **BSECO** agenda and the purpose of its activities in the future, including its capacity to play a significant role on the European and international stage and to offer an example of a constructive dialogue between states with different official statutes and asymmetrical developments.

¹⁷ The observer status has been extended even to a few intergovernmental (The Energy Charter Conference, The Commission for Protecting the Black Sea from Pollution) and non-governmental (The International Club of the Black Sea) organizations.

¹⁸ Adrian Pop, „Regionalism, Sub-regionalism and Security in the Black Sea Region. Research Summary”, în *Euro-Atlantic Studies*, 7, 2004, p. 78.

For the Black Sea regionalism is vital **BSECO** to develop a constructive and structured relationship with other regional and international actors, especially with the EU, which holds not just the resources, but also the expertise of involving in regional projects. The relationship with EU has become a central element of the **BSECO** agenda, together with the distinct financial instrument which was included in the new financial arrangement for 2007-2013. However, there is an objective limit for the development of this relationship: while the **EU** objectives are centred on the cross border cooperation, **BSECO** is and will remain an intergovernmental organization.

Launched as an initiative by Ukraine's and Georgia's Presidents in August 2005 (through the Borjomi Declaration), but inspired by the USA, the **Community of Democratic Choice**, was founded in Kyiv, on 2 December 2005. The forum gathers nine East European countries from "the three seas" region – the Baltic Sea, the Black Sea, and the Caspian Sea: Estonia, Lithuania, Latvia, Romania, the Republic of Moldova, Ukraine, Georgia, Slovenia and Macedonia. Other six countries (Azerbaijan, Bulgaria, the Czech Republic, Hungary, Poland and USA) and two international organizations (EU and OSCE) have observer status with this initiative. Its main objective is the promotion of democracy, human rights and the rule of law in the geopolitical area between the Baltic Sea, Black Sea and Caspian Sea. In spite of the opposite official declarations, the initiative has been conceived right from the beginning as an alternative to the Commonwealth of Independent States (CIS) and as a counterbalance instrument against the Russian influence in the "three seas region". Even if the new Community announced its intention to internationalize the "frozen" conflicts, it did nothing concrete about this matter. Under its aegis Romania launched its initiative concerning the Black Sea Forum for Dialogue and Partnership. Received with wariness by the EU, the **Community of Democratic Choice** proved to have, at least until now, a visible impact only on the symbolic and media level, the one upon the regional security environment being at least, insignificant, if not absent altogether – circumstances that don't recommend it for a possible future insertion into the EU strategy in the wider Black Sea area.

The **GUUAM** group (Georgia, Ukraine, Azerbaijan, Moldova and Uzbekistan) experienced its first reform process in 2005, including in the political-military field, but in the same year it received a severe strike when Uzbekistan withdrew from the group. Going back to the initial name of **GUAM**, after almost 7 years of working under the **GUUAM** name, the group experienced its second revitalization at the Kyiv summit on 23rd of May 2006, when the group transformed itself into an international organization under the name of the **Organization for Democracy and Economic Development – GUAM (ODED-GUAM)**. Establishing its headquarters in Kyiv, the new organization declared its intention to set up a free trade area and the interest in taking part to projects on energy, transport and security. In the security domain, a very important achievement of the organization is the **GUAM Virtual Center on Combating Terrorism, Organized Crime, Drug Trafficking and Other Dangerous Types of Crime**. In June 2007 at the organization's summit in Baku, its members revealed their intention to act as a unitary block in the UN, OSCE and other international organizations and to solve the unsettled territorial issues with their own means, without the Russian mediation, including a future

GUAM peacekeeping battalion.¹⁹ In this approach, the **GUAM** Member States leaders – especially the Ukrainian President, who aims at assuming a central role in the organization – stakes on the misunderstandings between Russia and USA that had worsened in the last period and also on the support of the EU newly admitted states from the Baltic Sea – Black Sea region.²⁰

The Black Sea Naval Cooperation Task Group (BLACKSEAFOR) brings together the six littoral Black Sea countries and was formally established in April 2001, with tasks of search and rescue missions, humanitarian assistance, mine clearing, environment protection, and good will visits. Since August 2001, **BLACKSEAFOR** has convened annual maritime activation exercises under rotating national command. In 2004 the member states decided to go beyond the simple annual exercises stage, creating a permanent operation control centre for these operations, drafting a memorandum of understanding for information exchanges and carrying out unplanned activations to shadow and trail suspicious ships. In March 2005, **BLACKSEAFOR** has expanded its mandate to include the fight against terrorism and weapons of mass destruction proliferation.

Another important initiative of the six littoral states is the **Black Sea Border Coordination and Information Centre** in Burgas, Bulgaria. Established in 2003, the Centre facilitates the exchange of information concerning illegal activities in the Black Sea area. The Centre has a high potential for the protection of the maritime borders, but the main deficiency is the absence of the connection to and coordination with the **Regional Center for Combating Transborder Crime (SECI Center)** in Bucharest, whose experience and superior coverage could be of great help and a model for its activity. At present, the SECI Center brings together twelve states – Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, FYROM, Republic of Moldova, Romania, Serbia, Slovenia, Turkey and Hungary – out of which five belong to the Wider Black Sea Region. The future membership of Georgia and Montenegro will increase the number of the member states to fourteen, out of which six will be from the Wider Black Sea Region. Throughout 2006, Poland, Slovakia, UNDP Romania and the EU Border Assistance Mission to Moldova and Ukraine (EUBAM) were granted the observer status at the **SECI Center**, thus raising to 20 the number of observers. In 2006, the number of assistance requests and information shared via the SECI Center increased by 30%, exceeding 5,500 and generating more than 10,000 messages during the cooperation process. The SECI Center support to 23 joint investigations and 3 region-wide operations show an improvement of the efficiency in fighting criminal organizations involved in areas such as trafficking in drugs, human beings, illegal migration, stolen vehicles, cigarette smuggling and financial crime. At the same time, the SECI Center intensified relations

¹⁹ *Nezavisimaia Gazeta* (Russia), 19 June 2007. According to Viktor Yushchenko, GUAM peacekeeping battalion will distinguish itself from the peacekeeping forces currently residing in Georgia, Moldova and Nagorno-Karabakh by the increased confidence of the population in it.

²⁰ The support group comprises the Presidents of Poland (the country which lobby Ukraine's interests in NATO and EU), Romania (Bucharest declared long time ago to be Republic of Moldova's advocate within the EU) and Lithuania (Valdas Adamkus is an active promoter of the idea of taking out the GUAM member states from Russia's influence).

with the EU Presidencies, EU Council's General Secretariat, Europol and European Commission. Plans for the development of a new SECI Convention and upgrade of the organization moved further on the way to become a reality.²¹ The EU Council Conclusions as well as the Conclusions of the SECI High Representatives adopted at the end of the 2006 year provide valuable landmarks for the future cooperation and development of the Center.

An important initiative is also the **Civil-Military Emergency Planning Council in the South-Eastern Europe (CMEPCSEE)**. Created in April 2001, at present it brings together three Black Sea littoral countries (Bulgaria, Romania and Turkey) and three South-Eastern European countries (Croatia, Macedonia and Slovenia). The member states have agreed to develop common standards for planning and responding to regional disasters or emergencies; create emergency response databases and digital maps of South-Eastern European countries' roads, rails, pipelines, and airports; establish emergency operating centres in each country with common communication procedures; and conduct national and multinational exercises.

A more recent initiative for cooperation, but with a high potential for development within the European Neighbourhood Policy, is the **Black Sea Euroregion**. Launched in March 2006 in Constanta and bringing together the ten countries of the Wider Black Sea Region, this initiative is an example of a good practice of the Council of Europe, based on the idea of bringing the countries and the peoples from the Black Sea Basin together around the platform of the common answers to the common challenges that threaten the region.²² The **Black Sea Euroregion** will allow the local authorities and the regions that border the Black Sea to unite their efforts in order to achieve sustainable development in domains such as environment, economy, social climate, culture, youth, and a good governance. The envisaged adoption of the Euroregion's statute will mark the decisive step for its institutionalization. If it will succeed to bring to life its objectives ambitious, the Euroregion will inevitably contribute to the dismantling of the current and potential dividing lines in Europe.

²¹ Regional Center for Combating Transborder Crime – SECI Center Bucharest, *Annual Report 2006*, Bucharest, May 2007, pp. 4-5.

²² Black Sea Euroregion, www.bser.eu.

Chapter 2

Towards a European Dimension of the Black Sea

2.1. BSECO – EU interaction

The interest of the Black Sea Economic Cooperation Organization (BSECO) for developing a cooperation relationship with EU manifested for the first time in the Summit Declaration of the organization in Moscow (25 October 1996). The reply of the EU institutions came fast, in the following year a Communication from the European Commission to the EU Council offering an assessment of the region's potential and mentioning the possibility to identify some concrete fields for interaction between EU and BSECO as a regional organization.²³ Based on that Communication, the EU Council included in its Conclusions a section on the Black Sea Region highlighting its strategic importance for the EU, the role that BSEC could play in that respect and possible priority objectives for cooperation. The BSECO response came in the shape of a *Platform for Cooperation between BSEC and EU* adopted by the Council of Ministers of Foreign Affairs (CMFA) of the organization on 30 April 1999. Unfortunately, the BSECO-EU contacts in the following years remained with inconclusive results.

The process of collaboration between BSECO and EU was re-launched after 6 years, at a special meeting of the BSEC Committee of Senior Officials with representatives of the EU institutions and Member States in Brussels (11 April 2005), which was followed by the decision of the BSEC CMFA (Komotini, 23 April 2005) to establish an ad hoc Group of Experts charged with the task of preparing a Working Paper on BSEC- EU interaction. After adopting the *Declaration on the enhancement of cooperation with the European Union* (Chisinau, 28 October 2005), the BSEC Council decided to mandate Greece to initiate consultations with the relevant EU institutions with a view of adopting a declaration by the EU Council on an enhanced the BSEC- EU partnership and the eventual articulation of an EU Dimension which would bring together for an improved coordination the EU policies in the Black Sea Region.

Based on the received mandate, the Foreign Affairs Ministry of the Hellenic Republic, prepared a Working Paper entitled *Towards an EU Regional Dimension in the Wider Black Sea Area*, which was presented in Brussels on 25 January 2006. After a second Brussels meeting of the BSEC Committee of Senior Officials with representatives of EU institutions and Member States, which took place exactly one year after the first one (11 April 2006), the Secretary General of BSECO Permanent International Secretariat presented on 29 May 2006, the BSECO expectations with regard to the EU. This was followed, by the end of 2006, by the European Commission *Communication on Strengthening the European Neighbourhood Policy* that was mentioning the possibility of closer contacts with BSEC, including observer status, and announced the intention to produce a special Communication on strengthening the Black Sea region dialogue in the course of 2007.²⁴

²³ *Regional co-operation in the Black Sea area: State of the play, perspectives for EU action encouraging its further development*, Communication from the Commission to the Council, DOC. COM(97) 597 final, Brussels, 14 November 1997.

²⁴ *Strengthening the European Neighbourhood Policy*, Communication from the Commission to the Council, COM(2006) 726 final, Brussels, 4 December 2006.

Meanwhile, the International Centre for Black Sea Studies drafted a Working Paper which, after its endorsement by the BSEC Committee of Senior Officials (Istanbul, 17 January 2007), has become an official BSECO document and was presented as such to the EU institutions for consideration as a relevant regional input to the preparation of the future European Commission Communication dedicated to this region. Meaningfully entitled *BSEC–EU Interaction: The BSEC Approach* the document synthesizes the BSECO progress in the field of regional cooperation and the vision of the countries of Black Sea Region on the ways the two organizations could cooperate.

Among the reasons that form the basis of the two organizations, the document mentions the following ones: the remarkable economical growth of the BSECO member states between 2000 and 2005 (41%), which makes the Black Sea Region one of the fastest growing regions globally; the fact that BSECO is the only “bottom up” regional organization initiated by the Black Sea region’s countries, having the political will and a complete set of institutional structures able to cooperate with EU institutions; the demonstrated ability of BSECO to work out creative solutions for the accommodation of specific interests of the member states, in the circumstances of a diversity of their current statutes and future aspirations vis-à-vis the EU; the fact that BSECO offers a better platform for the implementation of the EU projects in the Black Sea Region and a sophisticated cooperation network meant to complement the EU regional and bilateral approaches; the existence of an accumulated experience in carrying out previous regional EU policies (the Mediterranean Partnership and the Northern Dimension) and the EU involvement in other regional initiatives in Northern and Central Europe, which, selectively adapted to the specific needs and possibilities of the Black Sea Region, could represent the first step for the creation of a EU regional dimension in the Wider Black Sea Region, that could coordinate all the EU relevant policies in the region; and the avoidance of new dividing lines on the European continent, after the EU external borders extension in the Black Sea area, following the accession of Bulgaria and Romania into the EU.

According to BSECO, the sector-specific objectives of cooperation with the EU include the following ones:

- Development of infrastructure, including transport, energy, and telecommunication;
- Trade and economic activities, including cross-border cooperation, especially trade and investment facilitation;
- Environment protection and sustainable development;
- Cooperation in combating organized crime and providing emergency assistance;
- Institutional and social sectors;
- Science and technology.

In the BSECO opinion, the plurality of contract-based relations between the EU Member States and BSECO offer a comprehensive set of legal, policy and financial instruments capable of generating an efficient interaction between the two organizations. Among the legal instruments, the agreements concluded among the BSECO member states in priority areas such as combating organized crime and coping with emergency situations, are of a particular interest. Among the

policy instruments, the most important are the Summit or Ministerial Declarations, as well as the Action Plans in key areas of mutual interest. As for the financial instruments, the emphasis would fall upon the co-financing of joint projects, involving the member states of the two organizations, as well as international financial institutions, private funds and international donors. Among other things, the financing would rely on the European Neighbourhood and Partnership Instrument and its component, the Neighbourhood Investment Fund, on the Instrument for Pre-accession Assistance and other relevant projects for the region such as DABLAS, INOGATE, TRACECA, as well as on the funds generated within BSECO by the Project Development Fund and the Black Sea Trade and Development Bank and the Commission for the Protection of the Black Sea Against Pollution.²⁵

According to BSECO, the interaction between the two organizations should focus on three priority axes: technical assistance to strengthen capacity for regional and inter-regional cooperation; development of region-wide activities, especially by undertaking joint research projects on subjects related to the region's challenges and opportunities; and identification of projects of mutual interest that are likely to have a major regional impact. The interaction would include a entire set of modalities, such as the mutual participation of BSECO and EU representatives to the meetings and activities of the partner organization, meetings between the BSEC Chairmanship-in-Office and the EU Troika, structured and regular contacts between the European Parliament and the Parliamentary Assembly of the BSEC, and an eventual establishment of a joint BSEC-EU Commission as well as the practice of periodic joint conferences at Foreign Ministers level. The interaction would also be extended to the business and financial environment, the civil society and local authorities from the member states of the two organizations.

An important step in getting the two organizations closer was made at the Istanbul BSECO summit that celebrated 15 years of BSECO existence, when the European Commission got the observer status to the Black Sea Economic Cooperation Organization.

2.2. A Synergy of Regional Cooperation within the Wider Black Sea Region: The CEPS Model

Under the meaningful title *A Synergy for Black Sea Regional Cooperation of the: Guidelines for an EU Initiative* the **Centre for European Policy Studies (CEPS)** in Brussels produced a study intended to give an input to the debates concerning the way that EU should act in order to achieve a synergy from the already existing regional initiatives in the Black Sea Region. Published in June 2006, the study adopted as major premises two essential findings: despite the big variety of tools through which EU is involved in the Black Sea Region, a strategic or holistic approach of this involvement is missing; and, respectively, the previous EU experiences in promoting regionalism can be ascribed to the typology of two basic models: the outside-in model and the inside-out model.

The outside-in model is perceptible in the Euro-Mediterranean Partnership (Barcelona Process) and the Stability Pact for the South-Eastern Europe. In spite of the differences between the two initiatives, with no regional pre-existent mechanism, in both cases the EU was the engine of the regional cooperation, the Union defining the priorities and the scope of cooperation. The main

²⁵ *BSEC-EU Interaction: The BSEC Approach*, Istanbul, 17 January 2007, <http://www.icbss.org/index.php?option=content&task=view&id=25>.

deficiency of this model is the limited regional ownership over the agenda and the unfurling of the cooperation process. The excessive centralization transformed the countries that are the main beneficiaries of this process into passive actors.

The inside-out model is typical for the Northern Dimension, an initiative that was launched by Finland and adopted by EU in 2000. The birth of this initiative didn't take place on an untested ground, on the contrary, it superimposed itself over a complex network of institutions and regional cooperation practices that were already up and running for many years in the Baltic Sea and Barents Sea. The fact that this network had been created by local actors had both advantages and drawbacks. On the one hand, this circumstance gave the Union the necessary time to better calibrate its part in the region. On the other hand, the existence of some regional institutionalized actors that had their own agendas and objectives, complicated EU's promotion of its own agenda and objectives, often making the coordination between the activities of the EU and the local factors a very difficult task.

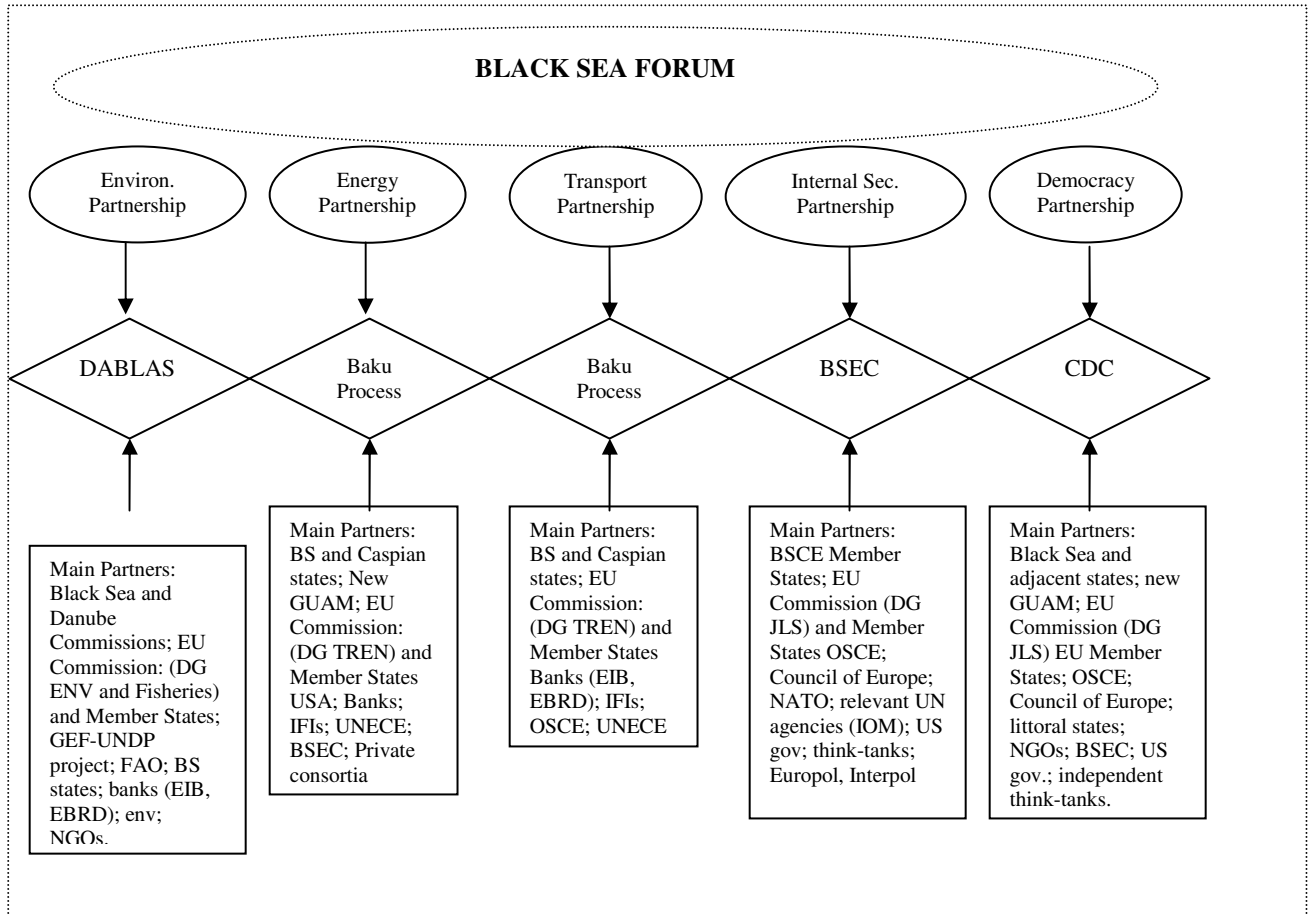
In the CEPS analysts' opinion, learning from both the negative and positive aspects of the previous regional cooperation experiences, a EU initiative in the Black Sea Region should promote the "joint ownership" over the cooperation process of EU, regional actors and other major stakeholders with interests in the region. From this point of view, the initiative should:

- Avoid the alienation of the local actors generated by the feeling that the agenda of the initiative was imposed from "outside", as in the Stability Pact and Barcelona Process cases;
- Avoid the weaknesses of the Northern Dimension: excessive focus on Russia, the absence of financing, the initial overlapping of activities and their lack of coordination;
- To follow the Stability Pact strategy of merging and coordinating the efforts of the international community;
- To follow the Euro-Mediterranean Partnership strategy of dialogue promotion and confidence building at the regional level.

According to CEPS opinion, to achieve a synergy of regional cooperation in the Wider Black Sea Region, the new EU regional initiative should focus on the sectors that have a truly regional character: *environment, transport, energy, internal security and democracy promotion*.

In each of these five sectors, *partnerships* should be established as *coordination mechanisms* between a *driving factor* (the regional initiative with the highest relevance in terms of experience and geographical coverage) and a number of *main partners* (states, international organizations, international financial institutions, think-thanks, NGOs, private consortia). While in the more technical sectors (environment, transport, energy), the European Commission would have the first say, by integrating existing initiatives (DABLAS, Baku Process, TRACECA and INOGATE) more effectively with the activities of other actors, in the more political sectors (internal security and democratic institutions), the leading role would be ascribed to the local initiatives (BSECO and the Community of Democratic Choice). Thus, a *variable geometry structure* would be generated, in which the sectoral coordination roles would go to the DABLAS initiative (environment), Baku Process (energy and transports), BSECO (internal security) and the Community of Democratic Choice (democracy), while the overall coordination of the five

partnerships would go to the **Black Sea Forum for Dialogue and Partnership**, initiated on 5 June 2006 in the capital city of Romania.



Source: Fabrizio Tassinari, *A Synergy for Black Sea Cooperation: Guidelines for an EU Initiative*, CEPS Policy Brief No. 105/June 2006, p. 12.

The financial support committed by the members of each partnership, to which the European Neighbourhood and Partnership Instrument would have an important contribution, would be collected in five Support Funds, capable to offer the financial means for the implementation of a three-year Black Sea Action Plan.²⁶

2.3. Black Sea Synergy

²⁶ Fabrizio Tassinari, *A Synergy for Black Sea Cooperation: Guidelines for an EU Initiative*, CEPS Policy Brief No. 105/June 2006, pp. 10-14.

Presented as a Communication from the European Commission to the European Council and the European Parliament and made public on 11th of April 2007, *Black Sea Synergy* synthesizes the EU vision on the cooperation with the Black Sea region countries. Its subtitle – a new regional cooperation initiative – is somewhat deceptive, since in reality, Black Sea Synergy is not an independent EU strategy for the Black Sea Region, because the EU policy in the region is already included in three well-outlined and distinct dimensions: the pre-accession strategy with Turkey, the European Neighbourhood Policy (ENP) that is addressing, in Eastern Europe, the New Western Independent States; and the Strategic Partnership with Russia. Rather, it should be seen as a complementary initiative to the already existing policies in the region that would focus on the regional level, a feature that was missing until now, especially to the largely bilateral approach of ENP, with a view to invigorate the cooperation, both within the Black Sea Region and between the Black Sea Region and EU. Linked to the EU strategy for the Central Asia, Black Sea Synergy includes also important inter-regional elements. At the same time, the initiative will take into consideration and some other regional cooperation programmes developed by international organizations or third countries in the area. Among the latter, are being enumerated the initiatives of Romania, Austria, European Commission and the Stability Pact for consolidating the Danube region profile, by endowing it with well-defined political and economic dimensions.

As a whole, *Black Sea Synergy* is intended to be a flexible framework so that it can ensure a higher coherence and a better orientation to the policies that address the area. European Commission's idea is to complete the existing policies and to grant a better visibility to the area and to contribute to the galvanization of the current regional cooperation process through an intensified dialogue , that should increase the trust between the referred states, a special attention being given to the cross border cooperation. Since the activities of *Black Sea Synergy* are closely linked to the neighbouring regions, especially to the Caspian Sea, to Central Asia and to South-Eastern Europe, its scope of action could extend beyond the Black Sea Region.²⁷

European Commission`s initiative starts from the conclusion that the Black Sea Region is an expanding market, an important hub for energy flows and transport routes, but which is facing major challenges such as frozen conflicts, illegal migration, organized crime, and environmental problems. So in order to stimulate the continuation of the economic and democratic reforms, and to support the development and stability of the region, the European Commission suggests, as a first step, that the *Black Sea Synergy* should focus on those issues and cooperation sectors which reflect common priorities and where the EU presence and support is already meaningful:

- Democracy, respect for human rights and good governance;
- Managing movement and improving security;
- The “frozen” conflicts;
- Energy;

²⁷ *Black Sea Synergy – A New Regional Cooperation Initiative*, Communication from the Commission to the Council and the European Parliament, COM(2007) 160 final, Brussels, 11th of April 2007.

- Transport;
- Environment;
- Maritime policy;
- Fisheries;
- Trade;
- Research and educational networks;
- Science and technology;
- Employment and social affairs;
- Regional development.

The European Commission deems that a very important role in the implementation of its objectives in the Black Sea Region is to be ascribed to the cross border cooperation and to the local and civil society actors. Thus, the European Commission has established a Black Sea Cross Border Cooperation Programme under the European Neighbourhood and Partnership Instrument. This programme focuses on supporting civil society and local level cooperation in Black Sea coastal areas. The programme will be managed locally in the region, with the partners taking equal responsibility for its implementation. The programme facilitates the further development of contacts between towns and communities, universities, cultural operators and civil society organizations, including consumer organizations, from the Black Sea Region. In addition, there will be new cross border cooperation programmes between Romania and Bulgaria (funded from the European Regional Development Fund) and between Bulgaria and Turkey (funded from the Instrument for Pre-Accession). These will both allow for maritime and the coastal actions that encourage the development and cooperation along the western coast of the Black Sea.

The European Commission also takes into consideration the strengthening of ENP, by creating a new thematic dimension to the ENP, the gradual development of free trade agreements, facilitating the investments in the neighbourhood, removing the obstacles to legitimate travel, the new scholarship scheme under the External Cooperation Window of the Erasmus Mundus Programme and the strengthened cooperation between universities.

Black Sea Synergy also recommends the reinforcement of contacts between EU and regional organizations and primarily with the Black Sea Economic Cooperation Organization (BSECO), by organizing firstly meetings between senior officials of the two organizations, and subsequently of regular ministerial meetings attended by the EU and BSECO member states. From the same point of view, taking into consideration the emphasis put on regional partnerships and networks, the European Commission deems that the **Black Sea Forum for Dialogue and Partnership** could be particularly useful at the non-governmental, civil society level.

As for the financial instruments, the general principle would be the one of co-financing. The financial support of the Community could be available under the national, regional and cross-border programmes of the European Neighbourhood and Partnership Instrument (ENPI), other external assistance instruments and, for the EU Member States, the European Regional Development Fund. It is also said that besides the activities of the European Bank for

Reconstruction and Development (EBRD), European Investment Bank (EIB) as well as the Black Sea Trade and Development Bank, already involved in the region, Black Sea Synergy could offer new financing possibilities, including the development of mechanisms for joint financing, making use of experience gained with schemes like the Northern Dimension partnerships.

Black Sea Synergy was adopted by the EU Member States throughout the German presidency of EU, which ended on the 1st of July 2007.

2.4. The Role of the Black Sea Region within the New European Union Energy Strategy

The analysts estimate that the EU's reliance on oil and natural gas imported from Russia, Middle East and Northern Africa will reach about 70 percent by 2030. Energy represents the sector in which the geo-strategic consequences of the EU involvement in the Black Sea Region are the most visible and pressing. The new energy strategy of European Union concerns three fundamental objectives: the security of energy sources, sustainability and competitiveness. An essential element of this strategy is the clear differentiation between the energy generation and transmitting domains. As almost half of the European energy imports will cross the region in the following years, the Black Sea becomes a crucial transit area for the EU.

At the moment, the European Commission aims at consolidating the new European energy policy, strengthening the cooperation in the “three seas” area – Mediterranean Sea, Black Sea and Caspian Sea – and improving the impact of EU funding, not only through the European Neighbourhood and Partnership Instrument, but also through the Neighbourhood Investment Fund. This will also include working, when and where possible, on the extension of the principles of the Energy Community Treaty, signed in October 2005 and entered into force in July 2006. At present, the Treaty covers the South-Eastern European countries to which the perspective of accession to the EU is offered. The Treaty aims at creating an energy community that would include: Albania, Bulgaria, Croatia, Romania, Serbia, Montenegro, FYROM, Bosnia and Herzegovina, the separatist province of Kosovo and EU. Turkey, although as an EU candidate country was initially included in the Treaty, withdrew afterwards. Offering reasonable energy tariffs for the South-Eastern European countries, the Treaty requires that the signatory parties should adopt the European legislation in the energy domain. The EU strategy aims at the extension of the Energy Community Treaty to the neighbourhood countries in Eastern Europe, the Caspian and the Mediterranean regions (and in a more remote perspective, to the countries situated in the Gulf region).²⁸

Acknowledging the vital role that the EU neighbours have in the energy policy of the Union, as supplier or transit countries, the EU intensified in the last years its cooperation with these countries.

Russia remains a strategic partner of the EU in the energy sector. In the new Partnership and Cooperation Agreement, which it is set to be signed by Russia (the old one expired in November 2007), the energy issue has a conspicuous place. The EU deems that it is in the interest of both sides that the energy stipulations of the new Agreement to be based on the Energy Charter, in order to create a predictable common field concerning the investments in the energy sector, the opening and transparency of the energy market, the non-discriminatory access to the transport networks, including for transit purposes, the convergence of energy policies and legislation, securing the

²⁸ Benita Ferrero-Waldner, *Opening Address* to the conference „Towards an EU External Energy Policy to Assure a High Level of Supply Security”, Brussels, 20 November 2006.

safety of energy networks, the environmental standards and of energy efficiency, by reducing the use of non-renewable energy resources and promoting the use to a greater extent of renewable resources.

Recognizing the key role that it plays as a transit country for the Russian hydrocarbons on the way to the European consumers, the European Union has also reinforced its cooperation with **Ukraine**. The tool for the implementing the energy objectives of the bilateral Action Plan is the Memorandum of Understanding on Energy that was signed in December 2005. In the middle term, EU aims to integrate the energy market of Ukraine with that of the EU.

The EU has launched also the energy cooperation with the **Republic of Moldova**, the emphasis falling upon the harmonization of the energy strategies of the two sides and the possible integration of this country in the Energy Community Treaty. The new oil terminal in Giurgiulesti, built by the Dutch, has the potential to free Moldova from its land-locked complex and to become a serious competitor for the Ukrainian ports.

It was also signed a Memorandum of Understanding in the energy domain with **Azerbaijan**. EU aims to bring Azeri energy resources, especially natural gas to the European markets, through the Nabucco pipeline and the Turkey-Greece-Italy route.

A similar memorandum was signed also with **Kazakhstan**, which transforms this country in a key partner for the energy sector of EU. The participation of Kazakhstan alongside the EU, the US and the Russian Federation in developing a **Trans-Caspian-Black Sea strategic energy transit corridor** as well as consolidating the existent gas transport system from Central Asia to EU through Russia is encouraged.

A special place in the regional energy initiatives of the EU is the one which aims at developing **sub-regional energy markets in Eastern Europe, the Caucasus and Central Asia** and which launched at the Ministerial Summit in Baku in November 2004. The initiative brings together almost all the countries from the Caspian Sea, Central Asia and the Caucasus as well as Ukraine, Moldova and Belarus and it aims at promoting the convergence of these energy markets with that of the European Union, with the view of setting up in the middle term of an **EU- Black Sea-Caspian Sea common energy house**.

A special role in achieving this strategic energy objective of the Union is played by the Black Sea Economic Cooperation Organization (BSECO). The diversification of the energy sources, the interconnection of the energy systems and the synchronization of the national energy strategies are priorities of the member states of this organization. As it was already agreed at the energy ministers' summit of the Member States in Sochi, the Russian Federation, that took place by the end of September 2006, BSECO is set to speed up the extension of the energy transport systems in the Eurasian area, including by synchronizing the EU transport networks with the ones from the ex-Soviet region, concomitantly with the harmonization of the strategies for ensuring the regional and global economic stability.

In the last couple of years, the competition for controlling the routes of the oil and gas pipelines that will transit the wider Black Sea region has heightened.

A. Oil

At least four projects have been elaborated for the decongestion of the Turkish straits from the Russian and Caspian oil, brought in Europe with tankers through the Black Sea and the Mediterranean Sea.

The first of them – Burgas-Alexandroupolis – is the closest to the best alternative: is the shortest (280 km) and the cheapest; in addition, it crosses EU Member States only and that's why it is encouraged by Brussels. The Europeans are uneasy with the fact that in this project are involved Russian companies. The trilateral negotiations between Russia, Greece and Bulgaria came to an end on the 7th of February 2007 with a full concord. According to those agreed then, Transneft, Rosneft and Gazpromneft will own 51% from the project's shares, the rest going to Greece and Bulgaria. The Russian side will guarantee the functioning at full capacity of the pipeline. That's why, Burgas-Alexandroupolis oil pipeline has, at least for now, the biggest chance to be achieved.

From the same Bulgarian port, Burgas, it is planned the construction of a new pipeline, through Macedonia, to the Albanian port Vlora. This route is longer (860 km) and thus more expensive. But behind it are the Americans ready, it seems, to spend how much it takes in order to get the control of the oil flows in South-Eastern Europe.

A third oil pipeline project involves the Romanian port Constanta. For Romania is especially important the new storage facility in Kulevi, Georgia, which will receive Caspian oil through the Georgian branch of the Oil State Company in Azerbaijan (SOCAR)²⁹ and which, starting the 30th of November 2007, has a storage capacity 20 millions tons.³⁰ SOCAR Georgia bought almost 100 ha in Kulevi Terminal, on the Black Sea seashore, and the Georgian government allotted another 200 ha for this project. When it will be completed, Kulevi Oil Terminal will have 16 oil tankers of 22,000 m³, each of them being served by a railway. The Terminal will secure the transportation of 35 million tons of oil annually, in ships of about 100,000-150,000 tons, which will cross the Black Sea to Constanta. From Constanta the oil is going to reach Trieste, Italy, through a 1,400 km-long oil pipeline, which received the EU green light through the Energy Commissioner Andris Piebalgs and which has also the Americans' support. In this project are involved five states – Romania, Serbia, Croatia, Slovenia and Italy – and the whole investment is estimated at about 2-3.5 billion Euro. The annual capacity of the pipeline will be 60-90 million tons (1.2-1.8 million barrels a day) and its completion is scheduled for 2012.

Finally, the fourth project aims at creating an oil pipeline on the Turkish territory: from the Black Sea port Samsun to Ceyhan (where reaches already the pipeline from Baku). Turkey, which wishes to become one of the most important pieces in the oil and natural gas supplying chain of Europe, actively encourages this alternative. Against the background of this strategy, the Ceyhan port will be transformed in the main oil port of the country (and, at the same time of Asia).

Concerning the last three projects, it must be specified that Russian oil that reaches the Black Sea through the Russian terminals from Novorossiysk and Tuapse, leaves these terminals only through pipelines approved by Russia.³¹

B. Natural gas

A competition just as fierce has heated also regarding the natural gas transit through the Wider Black Sea Region. True, here all the projects clash on Turkey which is impossible to be avoided.

²⁹ In terms of size, the SOCAR Company occupies the 68th place worldwide.

³⁰ *Trend Capital*, 30.10.2007.

³¹ Georgian terminals in Supsa and Batumi are outsiders in these businesses. Their role has diminished even more since the Caspian oil has started to flow circumventing the Black Sea along the Baku-Tbilisi-Ceyhan pipeline.

Until not long ago there was no competition, the Nabucco project being promoted. The 3,282 km-long (out of which 457 km in Romania) Nabucco trans-Adriatic gas pipeline will bring to Europe starting 2011 about 8 billion m³ of gas (with prospects of increase to 25.5 billion m³ by 2030) via the Caspian Sea and the Adriatic Sea. The route of the pipeline passes through the following countries: Azerbaijan, Georgia, Turkey, Bulgaria, Hungary, Romania and Austria, the final technological junction, which belongs to OMV Company, which owns Petrom, being at Baumgarten. The project is developed by OMV (Austria), MOL (Hungary), Botas (Turkey), Bulgargaz (Bulgaria) and Transgaz (Romania) companies, it will cost 5 billion Euro and it will be completed by 2011. Recently, SOCAR was invited to become stockholder. The EU strongly supports politically this project and it will be involved in its implementation, including through Gas de France Company.³²

In the meantime, Gazprom entered the competition and thus the strategy of avoiding Russia became questionable. Gazprom has suggested an alternative project to the European one. The South-East European gas pipeline coincides in what concerns the route, with Nabucco, but instead of starting from Azerbaijan, it starts from Russia. It is like a ramification of the Blue Stream that will cross Serbia, Bulgaria and Hungary. There is already an agreement with these last two countries. In addition, there are no difficulties in supplying the pipeline with raw material. However, contrary to Nabucco, it is not known yet from where it will be taken the gas to be transported. Previously divided, the EU and Member States opinion concerning the Nabucco project, has developed lately towards an acceptance of the project.

Caucasus countries will be connected with Iran, through Armenia, by a gas pipeline which will be completed in 2008 and it will bring 2.3 billion m³ of gas annually. Another pipeline, which brings the natural gas produced in Azerbaijan, Turkmenistan, Kazakhstan, Iran and Egypt to the European markets was inaugurated between Turkey and Greece by the end of November 2007. The first segment of gas extracted from Shah-Deniz gas deposits in Azerbaijan will amount to 250 million m³ of gas annually. In the next 15 years, the amount will reach 11.5 billion m³. The whole project is worth 250 million Euro.

In the interim, the energy supply of EU is done through Drujba (Friendship) pipeline that crosses Belarus and Ukraine and through the oil terminal at Novorossiysk

By the help of above-mentioned projects, Europeans could free themselves from the reliance on Gazprom and the frictions between Belarus and Russia could be avoided. Recently, the state led by President Lukashenka asked for an increase of the transit tax for gas, and subsequently Gazprom asked Belarus the complete payment of its 500 million USD debt, representing the deliveries in the first trimester of 2007.³³

C. Nuclear energy

Nuclear energy³⁴ is obtained in all Black Sea countries, but Georgia. Armenia wants to build a new 1,000 megawatts nuclear power station, after which the two 815 MW facilities in Metzamor will be shut down in 2016 and prefers the assistance of France instead of that of Russia, which would

³² Cf. Sabit Bagirov, Director of the Assistance Fund for Entrepreneurship and Market Economy Development, *Trend Capital*, 25.09.2007.

³³ Source: *AzerTag*, 14.01.2007.

³⁴ At present there are 435 nuclear power stations worldwide and 29 are in various phases of construction.

increase thus its influence in the area. Anyway, Armenia tries already to exploit the uranium reserves, estimated by experts at 30,000 tons.³⁵

D. Renewable energy sources

The issue of diminishing the energy obtained from fossil fuels has become a global challenge. Letting aside the fact the oil and gas resources are limited, the effects of their burning endanger the whole planet. Consequently, the majority of the states focused their attention on renewable energy resources. EU also has set by Directive 2001/ 77 /EC specific targets for renewable electric power, which will make 22.1% out of the total electricity production by 2010.

With a greater or lesser determination, the Black Sea countries have started to use renewable energy resources.

Bulgaria

At present Bulgaria has a capacity of 12,668 MW³⁶, including thermo, nuclear and hydro-electric resources. In spite of this capacity, Bulgaria is intent to invest in the field due to the fact that by 2010 the power production will drop by 40%. Bulgaria imports annually 70% from the necessary fuel for electric power production. On the 1st of January 2002 an ordinance to set electric energy prices was issued, which states that incentives are granted for companies which buy energy from renewable sources. A system of green certificates with base tariffs, to replace the current system, was supposed to be introduced in 2007, but it has not been implemented yet. Be as it may, as an EU Member State, Bulgaria will have to make sure that by 2010 the renewable energy will make 11% out of the whole electricity production. The potential of wind-based energy in the middle term is 3,400 MW and that of geothermal energy, 200 MWe³⁷. Taking into consideration the fact that almost 90% of agricultural lands are cultivated lands and forestry, the bio-fuel potential looks promising: 3,400 MWe. Bulgarian authorities will give a special attention also to micro-hydroelectric power stations.

Georgia

Georgia is poor in renewable energy resources. The most promising sources are wind-based, geothermal and hydroelectric. Geothermal resources are of an excellent quality. At present, are used 350 MWth³⁸ out of 465 MWth estimated reserves. The resources used up till now did not re-inject the used water, which led to the shrinking of some of them. Anyway, prospects are that in the near future a few small geothermal electric power stations will be established in the western part of the country and in Tbilisi. The wind-based energy potential is at least 2,000 MW. The hydro-energy produces 50% of the total existent capacity of the country and there are opportunities for further development.

³⁵ Source: AKA, 17.11.2007.

³⁶ MW = 1,000 W (1W = power unit of a system in which is transferred a power joule per second).

³⁷ MWe is the electric power of an electric power station and it is equal with the whole thermo energy multiplied with the power station efficiency.

³⁸ MWth is the thermal megawatt; the overall power of a reactor is measured in megawatts.

Republic of Moldova

Republic of Moldova is almost wholly reliant on energy resources imports from the Russian Federation, Ukraine (gas, coal, oil) and Romania (electric power), covering from internal resources only 3%. Hydroelectric power stations produce only 2% of the necessary total. Thus, the need for renewable resources is imperative. In the north-east part of the country there is a wind-based energy potential of about 1,000MW. There are also possibilities for bio-fuels from agriculture, which is a predominant economic sector in Moldova.

Romania

The renewable resources energy potential of Romania is depicted in the table above. Like Bulgaria, Romania has a conformity programme for green certificates with mandatory quotas from the electric power gross consumption, as follows: 2006-2.2%; 2007-3.74%; 2008-5.26%; 2009-6.78%; starting 2010-8.4%.³⁹ Thus, Romania will contribute with its part to the EU commitments regarding electric power from renewable sources, established by Directive 2001/77 EEC.

The renewable resources energy potential of Romania

Renewable energy Source	Energy potential annually	Energy economic equivalent (thousands tep⁴⁰)	Application
Solar Energy			
Thermo	60 mrd.GJ	1.433	Thermo energy
Photovoltaic	1200 GWh ⁴¹	103,2	Electric energy
Wind-based energy	23.000GWh	1.978	Electric energy
Hydro energy, out of which less than 10MW	40.000GWh 6.000 GWh	3.440 516	Electric energy
Bio-fuel	318 mrd.GJ	7.597	Thermo energy
Geothermal energy	7 mrd.GJ	167	Thermo energy

Source: ICEMENERG, ICPE, INL, ISPH, ENERO studies, 2006

³⁹ The investments for that programme amount to 500 million Euro.

⁴⁰ tep = tons petroleum equivalent.

⁴¹ GWh = 1.000.000 W hour (1 Watt hour = unit of measurement for electric power equal to 3600 jouli).

Russian Federation

Russia has an excellent potential for wind-based energy. If only 25% of this potential would be used, 175,000 MW would be generated. The best locations are to be found along the seacoasts, on the vast steppe lands and mountain areas.

The overall bio-fuel potential is estimated at 35 million tep which, converted into electric power, would generate almost 15,000 MWe. The bio-fuel includes mud, organic and wood offal.

The hydro potential represents 9% of the total resources worldwide.

The development of electric power from renewable sources projects is impeded by the lack of political will, small tariffs for electric power and heat consumption, as well as by the lack of investments, due to economic instability. However, Russia's potential in these resources situates it among the leader countries in the field.

Ukraine

Ukraine has a state support programme for developing by 2010 10% renewable energy out of the total energy. Getting wind-based energy with a 200 MW power is a national priority. Up till present, there is a wind-based energy capacity of 49 MW.

Hydro energy covers about 7% of the electricity demand. There is a potential of 327 MW, out of which 220 MW from Tisa River. The thermal sources are utilized mainly for heating, the capacity of the thermo systems being 13 MWth. There are plans to increase the capacity of utilizing the hot water up to 250 MWth by 2010.

The bio-fuel potential is 4 million tep, including the generation of methane gas from livestock offal.

As in the Russian Federation, major obstacles for generating such resources are the unstable economic system, the lack of funding and excessive bureaucratization.

Armenia

Armenian law stipulates that by 2016 the purchase of renewable energy must be done at a consumption tariff of 0.05 USD / KWh. The country has a good wind-based and hydro energy potential. Solar and geothermal energy are the least promising resources.

Azerbaijan

Due to its vast oil and gas resources, Azerbaijan is little concerned about renewable resources, although the conditions are favourable, at least for wind-based energy. The construction of 6 windmills with a power of 2,200 MW, which will generate 13.2 thousand MWh was initiated at the beginning of 2007.⁴²

⁴² ANS-PRESS, 24.09.2007.

Kazakhstan

Due to its plenty fossil fuel resources, Kazakhstan has a neglected potential of renewable energy resources (the electric power costs only 3 U.S. cents / kWh). However, there are excellent conditions for solar power systems in southern regions and in those around Aral and Balkhash lakes and for windmills in regions with strong air streams such in Altai or the southwestern seacoasts of Caspian Sea.

Hydroelectric energy is sufficiently important as it provides 12% of electric power energy of the country.

All in all, the low tariffs and the lack of awareness-raising campaigns on the importance of utilizing renewable resources make the Caucasus countries environmentally unfriendly countries.

Rather than a simple inventory, we conceive the energy landscape presented above as a framework in which interesting technological collaborative links could take shape between countries which have taken earlier steps towards saving resources and adopting sustainable development strategies in the spirit of Rio de Janeiro Convention (1992).

Chapter 3

European Territorial Cooperation Strategy

3.1. European Territorial Cooperation and Development Region Concepts

Territorial cooperation is understood as the development of joint activities related to territorial development policies for areas belonging to various administrative jurisdictions. Territorial cooperation is particularly important along national borders, but it is also relevant between administrative units of the same country. The aim of territorial cooperation is to facilitate territorial integration and to promote more competitive and sustainable forms of territorial development than would result from individual, segmented territorial development policies without cooperation. Territorial cooperation is driven by public authorities of the various levels, but it may associate other types of stakeholders (NGOs and other civil society structures, private sector, etc).

Territorial cooperation between national, regional and local authorities is an important element of European integration. It aims at abolishing the negative impacts of national borders on territorial development. With this aim the **Black Sea Basin Joint Operational Programme 2007-2013** was launched.

A. Black Sea Basin Joint Operational Programme 2007 – 2013

The *overall objective* of the programme is to *achieve stronger regional partnerships and cooperation*. By doing so, the programme is aimed at contributing to its key wider objective: “a stronger and more sustainable economic and social development of the regions⁴³ of the Black Sea Basin” under the ENP.

⁴³ The notion of “region” is often understood and treated differently in terms of its coverage area. A region means, classically speaking, a geographical dimension sometimes with administrative attributes, situated between global and national level. Europe is a region, and so are Central America, Northern Africa, Far East etc. Central and Eastern Europe is a subregion, as the Balkans, the (Wider) Black Sea area and others alike. From reasons driven by the need to follow trends, performances and to correctly allocate funds for achieving an economic balance, Europe was divided in development regions of different levels based on the number of inhabitants (level II – between 1 and 3 million inhabitants – corresponds to the 8 development regions in Romania). These territories do not have administrative functions (even if there are some decentralized structures of coordination for the county levels) and they do not have political structures; there are registered in the Nomenclature of Territorial Units for Statistics (NUTS) and their relevance is strictly statistical from the point of view of socio-economic development and indicative for the efficiency and effectiveness of the financial efforts targeting development. Obviously, the notion of development region may include level 1 Territorial Units for Statistics (UTS), meaning a country and level 3 UTS – a county. Any of these units may be involved in a territorial cooperation process.

The programme has allocated 17 million Euro from the communitarian budget (plus a 10% co-financing) and it aims at building cooperation between county councils, prefect offices, town halls, environmental agencies, chambers of commerce, NGOs, universities and research institutes of some developing regions in Romania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Russia, Turkey and Ukraine. However, it represents only a tenth percent of the cooperation budget in the Mediterranean Sea Basin which covers 19 countries by 173 million Euro.

Based on the structural analysis and on the results of the SWOT analysis, the participating countries of the Black Sea Basin have decided to concentrate on the following three objectives:

Objective 1 Promoting economic and social development in the Black Sea Basin area

Objective 2 Working together to address common challenges

Objective 3 Promoting local, people-to-people type actions

Each objective has got a priority and a number of corresponding measures. For each measure several indicative activities are designated.

Objective 1: Promoting economic and social development in the Black Sea Basin area

Priority 1: Cross border technical assistance to the partnership for economic development joint resource-based.

Measures:

- Pre-feasibility surveys for small and transport infrastructure, towards a better integration of less developed areas and tourist destinations in the region;
- Development of cross border tourist and joint standards for tourism services (thematic routes, quality systems, etc.)
- Consolidation of administrative capacity for the promotion of local development policies;

Any direct significant effect on environment through this objective could not be identified, because all the main proposed indicative activities represent concepts concerning the improvement of processes and/or work modalities of various societal segments. Some indirect effects on environment could be identified at the second measure that intends to create tourist networks with their associate consequences: increased transport demand and overexploited renewable and non-renewable resources, pressures on biodiversity and on cultural assets.

Objective 2: Working together to address common challenges

Priority 2: Interconnecting resources and competencies for the environment valorisation and protection

Measures:

- Promotion of scientific surveys addressing monitoring, control and protection of the maritime system and rivers in the area;
- Promotion of environment factors monitoring, through the conclusion of partnerships among the institutions in charge of pollution control in the Black Sea area;
- Establishment of networks for the development of planning and management methodologies and creation of databases for the natural protected areas.

This objective should have a positive impact on biodiversity, soil, water and atmosphere. All the main activities are directed to remove waste and treat wastewaters.

Objective 3. Promoting local, people-to-people type actions

Priority 3: Cultural and educational initiatives in order to create a joint cultural environment inside the basin.

Measures:

- Establishment of partnerships for the promotion of cultural values in the area;
- Partnerships on exchange of expertise for students/pupils, with the purpose of developing cultural integration paths in the Black Sea area.

The goal is triggered by some SWOT⁴⁴ analysis issues, starting with its strength – ”Cultural Heritage, High Human Capacities and Social Values” and closing with its weaknesses – ’Geopolitical and Historical Compulsions for Trade and Person Mobility” and „Weak Administrative Capacity for Local Policies Implementation”. Initiatives under this objective would allow taking advantage of some opportunities highlighted by the partners, namely establishing new methodologies in long-life education, teaching and learning.

⁴⁴ See the Conclusions at the end of the study.

B. European Grouping for Territorial Cooperation (EGTC)⁴⁵

As the achievement of the objectives of the Black Sea Joint Operational Programme 2007-2013 may encounter difficulties due to the lack of entities with a legal status to implement the cooperation programmes (especially the interregional ones) among the authorities of the riparian countries, on the 5th of July 2006 the European Parliament approved the Regulation no. 1082 that sets out the necessary legislative framework for the establishment of some legal status structures (art 1, para 3), called the **European Grouping for Territorial Cooperation (EGTC)**; this has the mission to facilitate and promote cross border, transnational and regional cooperation among its members in the perspective of strengthening the economic and social cohesion” (art. 1, para 2).

EGTC involves exclusively the cooperation at the level of EU Member States. **EGTC** members can be: Member States, regional or local authorities, associations, any other public body. **EGTC** will focus mainly on management and implementation of territorial cooperation programmes or on the management and implementation of the projects co-financed by EU under European Fund for regional Development (**ERDF**), European Social Fund (**ESF**) and/or Cohesion Fund. (art. 7. para. 3).

The Regulation entered in force from the 1st of August 2007. For the Regional Convergence improvement, for growing the employment and for raising competitiveness, **ERDF** offers assistance for research, innovation and information technology, financial development, grouping as well as for transports, energy and environment infrastructure and services. It promotes interregional cooperation, too.

ERDF and Cohesion Fund have an important role to play in those areas of the Union which are financially least able to develop new maritime strategies, including several of the new Member States. The new European Fisheries Fund will also stimulate alternative economic activities to fishing, such as “green tourism”, as part of its support to the sustainable development of coastal fishing areas. Under the European Neighbourhood and Partnership Instrument, cross border cooperation will help to address challenges shared by countries bordering sea basins (e.g., Baltic Sea, Mediterranean, and Black Sea).

C. Marshall Plans for the Black Sea

In a conference organised at the Romanian Embassy in Berlin (19th of January 2006) with the support of **German Marshall Fund of the United States (GMFUS)** it was launched the idea of participating in a mutual fund of the Black Sea, to be implemented with the

⁴⁵ The EGTC is unique in the sense that it enables the grouping together of authorities of various Member States without the need for the signing of a prior international agreement, ratified by national parliaments. Nevertheless, Member States must indicate their agreement regarding the participation of potential members in their respective areas. The law applicable for the interpretation and application of the Convention is that of the Member State in which the official EGTC headquarters are located. The EGTC aims to facilitate and promote cross-border, transnational and regional cooperation. Unlike the structures which governed this kind of cooperation until 2007, EGTC is now a legal entity and has all related powers and obligations. It can therefore buy and sell goods, as well as employ personnel. See EGTC Regulation, [http://ec.europa.eu/regional_policy/sources/docoffic/official/regulation/pdf/2007/gect/ce_1082\(2006\)_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/official/regulation/pdf/2007/gect/ce_1082(2006)_en.pdf).

financial support of American partners, USAID, GMFUS and European Union. This mutual fund would support the democratic developments in close vicinity of Romania, through building public and private partnerships. The **Black Sea Trust Fund** was launched in October 2007 in Bucharest. It will provide grants to promote democracy consolidation and civil society development in the Black Sea Region. Grants will be awarded through two programmes: civic participation and cross border cooperation. The latter will support sub-national and trans-border collaboration among governments, NGOs, civic initiatives, and other institutions working to improve understanding, stability and cooperation throughout the region. This cross border grant scheme may provide opportunities for synergy with the ENPI-CBC Black Sea Basin Programme.

At bilateral discussions run between Romania and Austria, the latter highlighted the key EU objectives in the region: *environmental protection, transportation, energy, security enforcement, and promoting European cultural standards*. Among Austrian priorities there is the **Danube Connection**, applied by commuter bridge reconstruction at Novi Sad.

At the same time, within the COEST reunion from December 2005, there were emphasized the four fundamental benchmarks for elaborating the EU regional policy in the Black Sea Basin. These are: “the EU inventory of its own initiatives and instruments as a prerogative for defining its own strategy in the region; the regionalization of the bilateral instruments, for example to include in the ENP action plans of a regional section; the maintaining of a permanent dialogue on the Black Sea subject to be included in the EU agenda; the involvement of a functional multilateralism in the region supported by the regional organizations and the Black Sea Forum for Dialogue and Partnership”.⁴⁶

D. European Territorial Cooperation Programmes

The Black Sea Joint Operational Programme 2007-2013 will be implemented through projects dedicated to each of those the above-mentioned objectives. In Romania, the European Territorial Cooperation programmes are managed at present by the Ministry of Regional Development through its EU Member States Territorial Cooperation Department. These are the following:

- Cross-border Cooperation Programme between Romania and Bulgaria 2007-2013;
- Cross-border Cooperation Programme Hungary-Romania 2007-2013;
- Black Sea Basin Joint Cooperation Programme 2007-2013;
- URBACT 2007-2013 (between cities in EU Member States);
- INTERREG IV C (interregional);
- INTERACT II (training for European Territorial Cooperation operational programmes);
- ESPON 2013 (statistics concerning the territorial cohesion and development).

⁴⁶ *Hotnews*, 30.01.2006.

The projects ideas sent up till present to the Ministry of Regional Development aim at environmental protection and risk prevention (about 200), access to infrastructures (about 25), innovation and knowledge-based economics (120), urban development (45), urban governance and planning (10), urban social integration (8) entrepreneurship promotion (7) and human capital development (10).

3.2. Territorial Cooperation Strategies Coverage

According to the territorial scale, a distinction is made between:

– **Cross border cooperation** *which takes place on relatively short distances between areas on both sides of national borders.* Cross border cooperation encompasses all types of activities belonging to regular activities of local and regional communities, such as economic development, spatial planning, tourism and recreation, training, transport, environmental protection, etc. Cross border cooperation concerns also areas such as the Euroregions and, in a number of cases, areas where more than two countries are converging;

– **Transnational cooperation** is a more recent type of territorial cooperation stretching *across national borders over large areas.* Cooperation is more focused on specific strategic issues, such as networks of metropolitan areas, promotion of the maritime economy of coastal regions, general improvement of accessibility, large-scale measures related to the enhancement of the natural and cultural heritage, etc;

- **Interregional cooperation** *is of thematic nature and takes place between regions of different countries, sometimes far away from each other, generally without territorial continuity.* Interregional cooperation may comprise transfers of know-how and experience, the joint improvement of techniques and methodologies contributing to the development of regions or enterprises, the promotion of long distance tourism, etc. Interregional cooperation may also take place between regions of the same country, with or without territorial continuity.

The success of a cooperation project depends on the interest towards the object of the exchange:

- the information, the know-how;
- the work force, the entrepreneurs;
- the training;
- the own products that can be sold in the partner's territory;
- the trade agreements with third parties.

The exchange can take place in two ways:

- through *know-how exchange* (visits, meetings between institutions, training programmes, innovation transfer, working as a network);
- through *joint creation* of a product (joint participation at fairs and joint promotion of a territory)

Besides direct results of such projects, there are also indirect benefits of the cooperation:

- *promoting* synergies and scale economies;
- *favouring* the understanding of culture by the partners and of the ways to treat the local problems through a deeper involvement;
- *improving* the knowledge of the language;
- *increasing* the reputation of the local institutions;
- *enhancing* the possibilities for future development of the projects and relationships.

The motivations that form the base of cooperation can be summed in 3 important categories:

- underlining the similarities;
- underlining the differences;
- exploitation of the opportunities.

Regarding the territories that initiate cooperation projects, similar tendencies of internationalization of the enterprises can be noticed. The global openness represents a must when new opportunities which will overcome the geographical difficulties and those due to protectionist politics are sought.

The cooperation activities can be classified, depending of their size, this way:

- *cooperation for the project* – collaboration for the achievement of a certain project often regulated by partnership agreements;
- *sectoral cooperation* – cooperation for projects in certain sectors (culture, agriculture, professional training etc.);
- *territorial cooperation* – projects of development between two or more areas, or two or more sectors with different types of interest holders (institutions, associations, etc.).

The cooperation can be also classified by the identity of the partner/partners:

- only *institutions* – this type of agreement is very frequent;
- *international organizations* – such as UNESCO, the International Organization for Environment Protection, Red Cross, international agencies, etc;
- relationships with the *EU institutions* – the activities proposed by EU and establishing representatives are often seen in Europe;
- participation to *associations and international networks* – represents a great opportunity for the development of international relations.

3.2.1. Cross Border Cooperation Strategy

3.2.1.1. Context and Principles

The borders of states, political landmark in the last two centuries, have been set up following wars, invasions or compulsions. Few borders have been set up democratically by citizens' will. Nevertheless, the frontiers have been necessary for parliament democracy development and well-being increase, but wealth increased only if the compulsory function of state frontiers hadn't been omitted or at least removed from daily political activity. In other words, the frontiers are both barriers and bridges.⁴⁷

The first definition of cross border cooperation was given in 1997: "Cross border cooperation represents the direct collaboration among neighbouring regions along borderline, in all areas and between local and regional authorities and all players involved".⁴⁸

Cross border cooperation aims at all activities of local and regional communities, including the economic development, land planning, city planning, tourism and relaxation, trainings, transportation and environmental protection. Thus it implies:

- a) To develop the *physical infrastructure* system (improve transportation infrastructure, information and communication networks, energy, water and waste recycling systems networking);
- b) To enforce the building of *economic relations* between neighbouring regions to mutually support the regional sustainable development (build cooperation in the fields of SME, tourism and border trade, local work force and market integration promotion);
- c) To build *social and cultural cohesion* among communities and citizens on both sides of the borderline (develop mutual use of infrastructure in health, culture and education);
- d) Mutual management of similar and simultaneous *environmental factors threats* (to prevent floods, land slides, soil erosion, to produce warning, control and technological systems for hazardous natural disasters control).

Cross border cooperation refers also both to *Euroregions* and sometimes to more than two countries areas (for instance the Saar-Lor-Lux regions, the Upper Rhine Triangle).

Contemporary spatial development is considered to be similar to deliberate organisation of man – environment relationship in border and cross border regions. Spatial development includes the basic principles of spatial sustainability and development as well as their application instruments in the regions and countries located on both sides of the border. Council of Europe and EU Member States spatial development policy highlight the importance of the cross-border cooperation. By the **European Regional Development Charter**,⁴⁹ **European Spatial Development Plan** and the **European**

⁴⁷ About 32 % of EU population spread in over 40 % of its territory lives in border areas.

⁴⁸ LACE study on INTERREG EU programme and its future prospects, Association of European Border Regions, July 1997.

⁴⁹ The Charter was adopted on 20th of November 1981 and revised in 1995 and 2004

Spatial Planning Ministerial Conference – CEMAT⁵⁰, the territorial cohesion inclusion in the future EU policies increases significantly its implementation chances, especially in border regions.⁵¹

3.2.1.2. The Added Value of Cross Border Cooperation

The European added value springs, in the light of past experience, from the fact that people that are cohabitating along the border areas manifest their will to cooperate and therefore they have an important contribution in promoting the peace, freedom, security and the human rights.

The political added value involves a substantial contribution from the following elements:

- the development of European integration;
- the acquaintanceship and understanding between nations, building mutual trust;
- implementing the partnerships and the principles of cooperation and subsidiarity;
- increasing the economic and social unity between the states;
- preparing the accession of new states into EU;
- using the EU funds for the benefit of cross border cooperation, through annual programmes, as well as insuring regional and national co-financing for long term.

The institutional added value refers to:

- active involvement of the citizens, authorities, political and social groups from both sides of the border
- reliable information regarding the neighbours (regional authorities, social partners, etc.);
- long term cross border cooperation between structures able to work efficiently; a partnership that functions on both a horizontal and vertical line although there are different structures and domains;

⁵⁰ A consultative body of Council of Europe established in 1970, the European Spatial Planning Ministerial Conference published the European Planning Strategy which represented the first applicable strategy to cross-border cooperation in Europe and was enforced till 1980.

⁵¹ An agreement between town councils, the *Nordic Council Agreement on Cross Border Cooperation* was signed in 1997. The Framework Convention for Cross Border Cooperation in Madrid, promoted by the Council of Europe in 1980, attempted to provide the interstate agreement and conventions patterns. Although it had been signed by 200 states, the convention proved its value only when ratified through specific interstate treaties. Such international treaties constituted the basis of cross border cooperation between local and regional authorities and they were signed starting with 1989 and produced effects in 1990s in the following cases:

- BENELUX Convention (signed in 1986, it produced effects in 1991);
- The Cross-border Treaty between Germany and Holland (signed in 1992, it produced effects in 1993);
- The Vienna Agreement between Italy and Austria (signed in January 1993, it produced effects in 1995) and a the Agreement in Rome (signed in November 1993, it produced effects in 1994)
- Karlsruhe Agreement which regulates the cross-border cooperation between France, Germany, Luxemburg and Switzerland (signed in 1996, it produced effects in 1997);
- Bayonne Treaty between France and Spain (signed in 1995, it produced effects in 1997).

- receiving and managing funds;
- drafting, implementing and financing together the cross border programmes and projects.

The experience gained all over Europe demonstrates that the implementation and the accomplishment of the common cross border programmes and projects can be done only if the regional and local partners have an important role.

The socio-economic added value becomes obvious, although in different ways, through:

- rallying the internal potential, strengthening the role of the regional and local authorities as partners or initiators of the cross border cooperation;
- the participation of players from the economic and social sector (i.e. chambers of commerce, companies, employers' confederations, cultural and social institutions, environmental organizations, travel agencies, etc.);
- opening the labour market, harmonizing the professional qualifications;
- supplementing development, for example in infrastructure, transport, tourism, environment, education, research and cooperation, between SMEs; also development of more employment in these sectors;
- lasting improvement in the development of geographical planning and regional policy (the environment included);
- the improvement of the infrastructure of the cross-border transport.

The socio-cultural added value is reflected in:

- repeated and lasting dissemination of the information about the geographical, structural, economic, socio-cultural and historical situation of the cross border region (including by the help of mass-media);
- visualizing the cross border region with the aid of maps, publications, school materials, etc.
- developing a group of dedicated experts (multipliers), involving churches, schools, institutions of learning for the young and adults, authorities, cultural associations, libraries, museums, etc.
- promoting the equal opportunity principle and the possibility to learn the language or the dialects of the neighbouring country as consequence of regional cross border development.

In this way, the cross border cooperation becomes a constituent element of the regional development.

In the EU, for cooperation at the projects' level there is a legal instrument valid for all the Member States namely the **European Economic Interest Grouping (EEIG)**. This grouping is concentrated firstly on economic cooperation (i.e. between enterprises) and it is open to companies as well as to public organizations. It has been used, as a tool, for cross border (and interregional) cooperation only for projects, and has not been extended to cross border cooperation for programmes, between public institutions. The reason is that the public institutions have no right, usually, to transfer competence and

responsibilities towards organizations such as **EEIG**, who has well-established objectives, for their entire existence, from the beginning.⁵²

At the end of the '80s, the creation of a single European market and the democratic changes that took place in the Central and Eastern Europe have opened the national borders even more.

The many states and cross border regions have established and became members of the **Association of European Border Regions (AEBR)**, founded in 1971. At the same time other opportunities of cooperation have arisen, such as projects for infrastructure (bridges, tunnels) between France and Great Britain, as well as between Denmark and Sweden. The opening of some borders and the redrawing of others have brought to attention the old problems regarding the borders. It became clear that the EU objectives regarding the integration must follow further a special policy for the border regions that will eliminate the problems that might appear after the integration.

The EU regional policy instruments represent a solution by themselves, in the same way as the *Cross Border Strategy and Development Plan* has been for the south and west of Europe, starting with 1989/1990, the strategy applied through the community programme INTERREG. The local and regional authorities from the border areas have reacted fast and have established cross border structures at regional level in places they did not exist before. All over the internal and external borders of the European Union the local and regional associations have followed the model of the Euroregions and of other similar structures, establishing long term targets and strategies.

Actually, the process of institutionalizing more initiatives of cross border cooperation started, mostly, in the '50s, when certain, more dynamic border regions have decided to search together for practical solutions to the common problems, acting by private or public laws. **EUREGIO**, on the Dutch-German border, has been the first true cross border structure, founded in 1958. On the same border have appeared in 1970 the Euroregions Rhein-Waal, Maas-Rhein, Rhein Maas-Nord and Ems-Dollart. They continued in the following years, developing, at the same time, the basic elements for the cross border structures.

In the last couple of years many initiatives that created a fertile soil for the cross border cooperation have been launched and developed.

The Coast Guard's services or organisms with similar functions from Bulgaria, Georgia, Romania, Turkey and Ukraine have launched the **Black Sea Coast Forum (BSCF)**.

In the agro-tourism sector, the authorities in Kyiv have launched the "Wine Road" programme. The objective is to develop the vineyard crops and wine production correlated with the tourism in the region. The programme can be associated to Priority 1,

⁵² An EEIG example is the one established within the District Bayonne-Anglet-Biarritz (France) and the Floral Delegation of Giupuzcoa from San Sebastian (Spain). The purpose of EEIG Bayonne/San Sebastian consisted in the initiation, promotion and coordination of the cross-border actions that may develop the infrastructure, facilities and services from the region. The two members adopted an official statute that defined the purpose, objectives, rights of the members, the organization and management. The activities were directed towards the technological cooperation, urban and environment management, infrastructure, IT networks and industrial parks projects.

Measure 1.2. – “The development of tourism networks to integrate and promote tourism initiatives and traditional products”.⁵³

3.2.1.3. Examples of Projects

A. At present, the most important project of cross border cooperation, active through European PHARE funds, is **CBC Romania – Bulgaria.**

According to the **short and medium term priorities**, the projects in the following domains will benefit from non-reimbursable financing from the European Union:

- Improvement of the existing infrastructure on the important axis TEN-T 7 (the former pan-European 4 corridor);
- Environment protection actions;
- Unrestrained circulation of people, services and goods at border crossings;
- Socio-economic regional development, promoted especially through Small Grants Fund.

The eligible counties at the border with Bulgaria are: Calarasi, Constanta, Dolj, Giurgiu, Mehedinti, Olt and Teleorman. In the CBC 2004 Phare Programme, the modernization of the road infrastructure linking Rast to Lom through rehabilitation of the local infrastructure (road 561D Giubega-Bailesti-Rast), of the Rast harbour and the its facilities has been financed with 3 million Euros, so the Rast harbour became operational and allows unrestrained border crossing of people, goods and services in the area. The beneficiary has been the Council of Dolj County.

B. “Business Card” (RO/BG)

The Chambers of Commerce from Constanta and Dobrich have been cooperating in various arias since 1991 and the activities have included annual exchanges of business meetings, economical missions, participating to fairs. The Chamber of Commerce, Industry, Navigation and Agriculture Constanta (RO) and the Chamber of Commerce Dobrich (BG), have implemented together the project “Business Card” with the purpose to promote business by identifying and, eventually, eliminating the obstacles encountered by the companies of the two regions. The project has been a natural extension of the already traditional relations within the Credo Phare Project and covered the period July 1998 – May 1999.⁵⁴

To reach the objective, the project involved in activities those institutions that are linked to the cross border business activities, meaning banks, import-export agencies and organizations that sustain businesses. The business environment from each country had the opportunity to be informed about the regulations about import-export, the law in the foreign investment area as well as loans and other financial aspects from the neighbour country.

⁵³ The initiative has had echo as recently, at the „Phaeton” restaurant in Tbilisi, the Association of Biological Farms “*Elkana*”, with the support of the Swiss Agency for Development and Cooperation (SDC) decided to integrate Georgia in the regional wine tourism.

⁵⁴ Source: The Chamber of Commerce, Industry, Navigation and Agriculture, Constanta.

C. Through the **SAPARD** programme the following projects for Giurgiu-Ruse area took place:

- The development and dissemination of ecological agricultural practices, diversification of rural activities that will bring alternative income;
- Long term planning of the process of sustaining vocational training and re-qualifying the work force in accordance with the measures of restructuring and diversification the economic activities in agriculture;
- Stimulation and support of establishing strong NGOs for the development of the rural areas;
- The maintenance and improvement of the road infrastructure in Giurgiu county and Ruse district;
- Activities of restoration and conservation of the traditions and the cultural monuments of Giurgiu, Comana, Herasti, Slivo Pole Ivanovo, Dve Mogili, Borovo, Tenovo.

D. As a result of an agreement between the Foreign Affairs Minister of Armenia, Vartan Oskanian, and the Prime Minister of the Autonomous Republic of Ajaria, Levan Varshalomidze, has been decided the opening of a General Consulate of Armenia in Batumi, where thousands of Armenians are spending their vacation.⁵⁵

E. Romania and Bulgaria have finalized a project that includes a unique programme in Europe regarding the management of the air quality at the border area. The Ministry of Environment and Water Management (today's Ministry of Environment and Sustainable Development) from Romania and the Ministry of Environment and Water from Bulgaria have completed the PHARE CBC 2003 project of developing a programme for the management of the air quality in the Romanian-Bulgarian area of the border for the Lower Danube. The project, worth 500,000 Euro, has been financed by the European Union and it took place during the entire year 2006. The air quality for four cities at the Romanian southern border has been evaluated – Turnu Magurele, Zimnicea, Giurgiu and Calarasi – and, „mirror-like”, for four cities at the Bulgarian southern border – Nicopole, Svistov, Ruse and Silistra.⁵⁶

⁵⁵ *Armenpress*, July 2007.

⁵⁶ All the training and consulting activities within the working groups were achieved through common events that involved the teams from both projects and the Romanian and Bulgarian beneficiaries. The air pollution problems were identified and mitigation measures for reducing the emissions were proposed, analyzed and integrated in the plans and programmes that were elaborated. Romania and Bulgaria have now at their disposal complex and useful documents based on which the cross border pollution problems will be solved in the future and that may be used as a model in the relations with the other neighbours.

3.2.1.4. Examples of Types of Cross Border Cooperation

A. Euroregions

The **Euroregion BUG** is one of the biggest agglomerations between Lublin (Poland), Pinsk (Belarus) and Luck (Ukraine), with a population of over 5 million, distributed between the three countries. The Bug Region has received funds from EU to develop border crossing points for the benefit of the local activities regarding commerce and communications, as well as to serve the European Union's interests regarding the security along the future external borders.

Other Euroregions, such as the **Euroregion Carpatica** (encompasses areas from Hungary, Poland, Romania, Slovakia and Ukraine) or the **Euroregion Baltic Sea** (coastal regions from Denmark, Bornholm, Latvia, Lithuania, Poland, Sweden and Russia/Kaliningrad), have the same objective: to reduce border restrictions, develop infrastructure for the border regions, increase the local connections, access to international assistance for the local needs and establish the prerequisites for cooperation.

The Danube region has three Euroregions at the border area that, although are not very active in proposing or implementing CBC projects, they insure the necessary structures for cross-border cooperation along the entire common border, under the conditions of the European Neighbourhood Policy and respect towards the European principles of cross-border cooperation. The three regions are:

- The **Euroregion Danube 21** in the north-western part of Bulgaria and south-west part of Romania, including the Bulgarian region of Vidin, Montana and Vratsa and the Romanian town Calafat.⁵⁷
- The **Euroregion „Lower Danube”** in the north-eastern part of Bulgaria and south-eastern part of Romania, including the Bulgarian regions of Dobrich and Silistra and the Romanian counties Constanta, Calarasi and Ialomita.⁵⁸
- The **Euroregion of Southern Danube** includes the town halls of Svistov from Bulgaria and Zimnicea from Romania as well as the area between Vidin and Calafat in the west and Ruse/Giurgiu in the central area of the border.

Aside from the Euroregions, in Romania activate also other structures of CBC. A new Regional CBC Office has been established in April 2005, through the voluntary association of the **Regional Development Agency (RDA) South-East, RDA South and**

⁵⁷ Associations have been formed, such as the Cross Border Cooperation Association, which includes Vidin, Calafat and other two partner city halls from the Romanian side involved in the establishment of the **Euroregion Danube 21**. Mixed working groups have been established, too, such as the ones from the common region Vidin/Calafat, with representatives both in Bulgaria and Romania, that have as objective the identifying and promotion of common programmes and projects. There is also an Intergovernmental Commission for Bilateral Cooperation under the auspices of the two Ministries of Transport, involved in finding solutions for promoting the free movement of persons over the border.

⁵⁸ Cooperation committees have been formed that promote the potential cooperation areas between the two regions and the Chambers of Commerce. The Chambers of Commerce from Constanta and Dobrich have traditional cooperation relations, including economic missions and business partnerships in different sectors of common interest as well as the implementation of different CBC funded projects from the Phare CREDO and CBC programmes.

RDA South-West. This office has legal status and is placed in Calarasi. The new institution, situated physically close to the Romanian-Bulgarian border, will take over the tasks of technical management of the projects implemented under schemes of grants in the border area. The CBC Regional Office in Calarasi includes the CBC Office in Giurgiu and will be involved in the management of the future programs of cross border cooperation.

B. Working associations and other organisms

The term used for this type of structures is «working community» - working associations (*communauté de travail*) and the most usual way of cooperation is that which involves the regional authorities. The examples include the communities from Jura (France/Switzerland), Pirinei (Spain/France) and Extremadura/Alentejo (Spain/Portugal). Another type of structure is Regionalrat (regional councils), which bring together politicians from the regional authorities from each side of the border. For example, Austria and Hungary have established in 1993 a regional council that encompasses the regions Győr-Ménfőcsanak-Sopron and Vas and the towns Győr, Sopron and Sombathely (Hungary) and Burgenland area (Austria). The cooperation between Austria and Hungary has the objective of creating an Euroregion, and the Regional Council is a first step. For this type of organization there are other names as well. The cooperation between Ireland and Great Britain (Northern Ireland) has three «clusters» (informal associations) of the local authorities (district councils in Ireland and regional councils in Northern Ireland), named: **EBRC** (*East Border Regions Committee*); **ICBAN** (*Irish Central Border Network*); and **NWRCBG** (*North West Region Cross Border Group*).

There are also cross border non-governmental organisms that belong to the private sector or volunteer bases. One example is *Cooperation Ireland* in Ireland/Northern Ireland, which has been established in 1979 by a number of individuals involved in business, unions, professional and academic environment, and has initiated and implemented many projects that promote good cross border neighbourliness and economic, cultural or social cooperation.

C. Other initiatives in the Black Sea Basin

Within the auspices of the executive president of **CIBC** (*Caspian Integration Business Club*) an oil business club was established where companies from Kazakhstan and Azerbaijan would debate projects and close partnerships to enforce cooperation between the two neighbour states at the Caspian.

The tourism cooperation between Russia and Ukraine, on the one hand, and Georgia, on the other, has been particularly fruitful in the last couple of years, especially during the summer. Unfortunately, the number of tourists has dramatically dropped lately due to excessive prices on facilities and air flights.⁵⁹

⁵⁹ Out of in excess of 1 million tourists registered in 2007, two times more than in 2006, only 15% were Russians. *AzerTag*, 6.09.2007 and *The Messenger*, 21.09.2007.

The South Caucasus countries try to apply the Espoo Convention,⁶⁰ which should eliminate the environmental negative effects on the areas situated at the common borders. Consequently, they will try to develop joint environmental protection projects, notably in the field of the improvement of the quality cross border water and conditions for animals' migration.⁶¹

D. Specific structures for EU Programmes

A good example of cross border cooperation is represented by PAMINA on the French-German border. A key element in developing this structure consists in establishing a cross border issues information and consultancy office in January 1991.

The office provides information and analysis for the public and private sector and it is financed both by German Rheinland-Pfalz and Baden Württemberg Lands on the German border and Alsace Region and Low Rhine Department on the French border.

The cross border region is crossed by three Pan-European Transportation Corridors (PETCs): Germany–Turkey, Finland – Greece and the Danube River; however some of their sectors are not in compliance with EU standards. There is a trans-Danube international highway and a railway bridge at Ruse-Giurgiu as well as a series of international ferryboats crossing the Danube. More than that, three international border crossings ensure land crossing in the eastern border area. The main access roads are satisfactory developed, however the highways are inexistent and the horizontal road network (along Danube) is not well maintained and requires renewal and reconstruction works. In the railway field investments are required and ship transportation on Danube was made difficult lately due to the destruction of Novi Sad Bridge in Serbia.

3.2.1.5. Expectations

One of the objectives envisaged in the context of cross border cooperation between Romania and Bulgaria will be placed on the Danube whose importance as a Pan-European Corridor for the transit of commodities between Central Europe, Western Europe, Black Sea, Caucasus, Central Asia, Middle East and Far East, was reconfirmed through the establishment of Corridor VII and by the Romanian Government, by considering the importance of the corridor for the modernization plan of the signalling system and the hydro technical arrangements, for ensuring the minimum navigation depth in the critical points over the entire year and for maintaining the harbour infrastructure (dams, pillars, basins and port areas). The objective is motivated by the inexistence of a bridge over the Danube in the south of the region that creates difficulties for the border traffic, through the two customs points with Bulgaria (Calafat – Vidin and Bechet – Oreahovo), the transit taking place exclusively by ferry (on average the maritime transit takes 2-3 hours) that creates big delays and difficulties to the transport operators and tourists.

⁶⁰ *The Convention on Environmental Impact Assessment (EIA) in a Transboundary Context* signed in 1991 in Espoo.

⁶¹ *Arminfo*, 17.09.2007.

3.2.2. Transnational Cooperation Strategy

The Transnational Cooperation Strategy is a more recent kind of cooperation covering large cross border territorial areas (the Atlantic Arch, the Baltic Sea Region, the western Mediterranean Region, the Black Sea Region and the CADSES Space⁶² etc.). The cooperation is concentrated more on strategic problems such as the metropolitan area networks type, the promotion of maritime economy of coastal regions, general improvement of the accessibility to resources and infrastructures, large scale measures related to the valorisation of natural and cultural patrimony.

Objectives: The major objectives of the projects are: *water management* (especially Danube), *maritime security* (Black Sea), *flood prevention*, *research-development*, *innovations*, *transport and environment infrastructure* and *SME networks* (Black Sea).

The opportunities for multilateral cooperation come basically from the trade interests of the riparian states along the Danube – Black Sea axis and those of improving the quality of water as a resource and life support for those two great water ways:

- River Danube represents an important opportunity for multilateral cooperation. On one hand, there already is, as a form of cooperation, a Working Committee of the Countries of the Danube (*Arge Donauländer*), and, on the other hand, the Environment Programme for the Danube River Basin, which is the most recent direction for multilateral cooperation. In 1996 the Strategic Plan of Action has been issued, and in 1998 the Danube Convention has been signed, to implement this Plan. This Convention has been signed by all the governments of the Danube countries that have participated.
- The economic integration between the Danube Space countries is encouraged by the membership to the Central European Free Trade Agreement (**CEFTA**) which targets free trade, one of the main objectives being the elimination of the discriminating regime in trade between states, before the general preparation for accession to the EU.
- For the cooperation regarding the territorial problems, the Working Commission Alpine-Adriatic has been established; it consists of Italian, Austrian, Hungarian as well as Bavarian, Croatian and Slovene regions.

⁶² Following the recent division of the **Central European, Adriatic, Danubian and South East European Space (CADSES)**, the whole territory of Romania will be part of the Danube-Balkan space (South CADSES), next to countries such as Austria, Hungary, Bulgaria, Slovenia, Greece and some regions from Italy and Slovakia. This space was allocated a substantial financing programme for improving the generated effects, especially, the unbalanced spatial development across the external border of EU. The main project from this programme, VISION PLANET – the drafting of a spatial development strategy in the Central-European and Danubian space within a planning network – was implemented by the EU Member States Germany, Austria, Italy, Poland Czech Republic, Slovak Republic and Slovenia together with the candidate countries at that time Romania and Bulgaria. In this project have been also integrated Croatia and other former Yugoslav republics.

A. Caspian Sea-Black Sea channel project

The Kazakh president, Nursultan Nazarbayev, presented in Sankt Petersburg the project for building a channel between the Caspian Sea and Black Sea. This would facilitate the trade between Central Asia and international markets.⁶³ Shorter by 1000 kilometres than the actual route for commodities transport, through the Volga-Don network of Russian channels, this channel would become a major maritime export corridor through Russia for the entire Central Asia.

B. Mediterranean project

For the Black Sea cooperation possibilities it is useful to recall the lessons learnt from the initiative of France that wanted to connect the 21 Mediterranean countries in a complex collaboration network. The project failed because the offer of some of them was not attractive and also due to the lack of realism of their political claims. The new president of France, Nicolas Sarkozy resuscitated this project by advancing on the 23rd of October 2007 the idea of a Euro-Mediterranean Union. The initiative was not warmly welcomed by the EU mainly because it was not clear the added value a Euro-Mediterranean Union would bring in relation with the Barcelona Process and European Neighbourhood Policy.⁶⁴

Most of the Mediterranean Basin states are members of the EU. Turkey is a candidate country to EU and Israel is closely linked to EU through different agreements and collaboration and assistance treaties. There are seven Arabic states left – Egypt, Algeria, Morocco, Syria, Libya, Tunis and Lebanon – that all together and each individually could paralyze any complex project in the region because of the political and economic problems they are confronted with and the security ones (immigration, illegal traffic, terrorism etc) that present the potential to be exported into the EU.

C. Cooperation in the strategic field of maritime security and access to harbour and transportation infrastructure

It is estimated that by 3% to 5% of Gross Domestic Product (GDP) in Europe is generated by maritime industries and services excepting the raw material value – oil, gas and fish. The maritime regions represent more than 40% of GDP. The sustainable development is the key issue of EU agenda.⁶⁵ The challenge consists in ensuring mutual reinforcement of economic growth social welfare and environmental protection. Our policies in maritime transportation field industry, coastal regions offshore energy, and other relevant fields have been separately developed by now. Nobody has examined in a systematic manner yet how these policies could be mixed to mutual reinforcement.

⁶³ *Reuters*, June 2007.

⁶⁴ Michael Emerson, “Sarkozy’s Union of the Mediterranean”, *European Neighbourhood Watch*, Issue 31, October 2007.

⁶⁵ Communication from the Commission to the Council and the European Parliament on the review of the Sustainable Development Strategy: A platform for action, COM(2006) 658 final/2. Documents are available at <http://eur-lex.europa.eu/>, of Council at <http://www.consilium.europa.eu>, and of Parliament at <http://www.europarl.europa.eu>.

They should be inter-sectoral and multidisciplinary integrated and not simply vertical sectoral policies. Starting from this aims, the Commission advanced arguments for Marine Environment Strategic Framework.⁶⁶ Looking to the future, according to a study of the Irish Marine Institute, the sectors with most growth potential appear to be cruise shipping, ports, aquaculture, renewable energy, submarine telecommunications and marine biotechnology.⁶⁷

Shipping and ports are essential for international trade. 90% of the EU external trade and over 40% of its internal trade is transported by sea. Europe's leadership in this global industry is beyond any doubt with 40% of the world fleet. 3.5 billion tons of cargo per year and 350 million passengers pass through European seaports. Approximately 350,000 people work in ports and related services which together generate an added value of about € 20 billion. The perspectives for both these sectors are of continued growth, with world trade volume on the rise, and with the development of Short Sea Shipping.

Due to the high degree of interaction and interdependence among all parties involved in ship building sector, which led to the idea of clustering, any positive change for some will benefit the others.⁶⁸ This group forming concept will contribute to the competition level increase in whole or group sectors. This can be attained by experience and information exchange and by common research and innovation achievement (product development) training and teaching, sharing innovative methods used in organizations or group of firms (common purchase and distribution), common promotion marketing and advertising.⁶⁹

In modern ship building, more than 70% from the final product is produced by a vast network of systems, equipment and services providers.⁷⁰ Good practices could be disseminated by connecting these sectors and transforming them into maritime networks of excellence, covering the whole chain of maritime industries and services.

Sea-related risks and threats also include pollution by ships, and criminal activities, from the trafficking of human beings and smuggling to terrorism. Such risks and threats to Europe's interests require control of compliance with maritime safety rules via port state control, reliable and efficient vessel traffic management and stronger surveillance. This requires harmonization of disparities in Member States' legislation and the implementation of international instruments such as the **ISPS Code**.⁷¹ The monitoring of EU waters involves considerable resources: surface, air and satellite surveillance and vessel tracking systems. The fight against these risks and threats could be made more efficient with actions to improve the exchange of information between Member States,

⁶⁶ *A Marine Strategy to Save Europe's Seas and Oceans*. Proposal for a Directive of the European Parliament and of the Council establishing a Framework for Community Action in the Field of Marine Environmental Policy (Marine Strategy Directive), COM (2005) 505, http://ec.europa.eu/environment/water/marine/dir_505_en.pdf.

⁶⁷ World market analysis for marine industry, March 2005, Douglas-Westwood Limited, Marine Forecast series no.1, Marine Institute, Ireland.

⁶⁸ EMEC, Contribution to the Green Charter.

⁶⁹ See the Competitiveness Support Charter.

⁷⁰ CESA, Contribution to the Green Charter.

⁷¹ International Maritime Organization, http://www.imo.org/Newsroom/mainframe.asp?topic_id=897.

joint investigation teams and strengthening the protection of critical infrastructure in the EU.

Ensuring safety and security on our seas requires international cooperation. The EU cooperates with the United States of America in the framework of the Container Security Initiative (CSI)⁷² launched after the 11th of September 2001 terrorist attacks. This approach should be extended to other countries that are strongly involved in maritime traffic with the EU.

EU tends to create a common maritime space, governed by the same safety standards, security and environment protection. This might raise the efficiency of the management of territorial waters and Exclusive Economic Zones (EEZ)⁷³ by the Member States and might lead to the Short Sea Shipping having the same status as land transport between the Member States.

D. Cooperation in the field of marine environment protection.

2007 marks two important anniversaries of 15 years – the adoption of Rio Declaration and Agenda 21 of the World Summit in Rio de Janeiro in 1992 and the signing of the Convention for Black Sea Protection against Pollution (also known as Bucharest Convention)⁷⁴ by the six Black Sea riparian states on the 21st of April 1992. The Bucharest Convention foresaw also the establishment of a Black Sea Commission with the purpose of ensuring its implementation.

In the decade following that period, the awareness on the ecological problems of the Black Sea achieved a significant role in the entire world. Also there was an increase in the commitments undertaken by the governments, international institutions and nongovernmental organizations to take action for solving these problems with the final purpose of stopping the ecological decline of the Black Sea.

A year after the commitment made in Bucharest, the Odessa Ministerial Declaration was issued. The International community financial support came firstly through project financed by Global Environment Fund (GEF). This aided the riparian countries and

⁷² Convention concluded between European Community and USA regarding the intensification and extension of the Convention on the customs cooperation and mutual assistance in customs problems in the perspective of including the cooperation on the security of the container and associated problems (OJ L 304, 30.09. 2004).

⁷³ The exclusive economic area represents the jurisdiction area of a state up to the distance of 200 nautic miles (370km) from the coastal line into the sea. The disputes linked to these limits represents frequent disputes between states and trigger long negotiations among them.

⁷⁴ In 1992 Law no. 98 was approved that ratifies the Convention regarding the protection of the Black Sea against pollution (Bucharest Convention) signed in Bucharest in April 1992 by the Black Sea riparian states: Romania, Georgia, Turkey, Ukraine, Russian Federation and Bulgaria. Three protocols are part of this convention: the Protocol regarding the marine environment protection against pollution from land-based sources; the Protocol regarding cooperation for mitigating the marine environment pollution with oil and other hazardous substances, the Protocol regarding the protection of marine environment protection against pollution from discharges. For the implementation of the Convention, in 1996 the national representatives of the riparian countries signed the Strategic Action Plan for the rehabilitation and protection of the Black Sea that was amended in 2002. On the basis of this plan, Romania drafted the Project for the National Strategic Action Plan for the Black Sea.

NGOs community to develop regional action plans and necessary skills for an efficient environmental management. The cross border assessment analysis *Transborder Diagnostic Analysis (TDA)*, made within GEF project led to the adoption by the riparian countries of the *Black Sea Action Strategic Plan (BSSAP)* in Istanbul 1996.

BSSAP highlighted policies and principles in the field and identified a number of 59 policy actions (environmental policy changes) together with institutional arrangements and financing mechanisms to achieve them. Black Sea National Action Plans were revised by the **Black Sea Commission (BSC)**.

BSSAP and its technical annex (**TDA**) presented arguments for the necessity of a joint action at the level of the whole basin.

The **Black Sea Commission** was created to implement BSSAP at the regional level.

There has also been an active cooperation in the environmental field for the last 15 years between the six littoral states of the Black Sea (Bulgaria, Georgia, Romania, Russia, Turkey and Ukraine), reflecting the need to react in a coordinated way to the deterioration of the Black Sea environment. **The Commission for the Protection of the Black Sea against Pollution**, with a permanent Secretariat in Istanbul, acts as the coordinating mechanism for the implementation of the Convention on the Protection of the Black Sea against Pollution (adopted in 1992) and the Black Sea Strategic Action Plan (adopted in 1996, revised in 2002). Land-based sources of pollution, the introduction of alien species and inadequate resources management are some of the main issues highlighted. The concepts of sustainable development, precautionary principle and anticipatory action such as contingency planning, environmental impact assessment and strategic environmental assessment have been introduced. The **ENPI CBC Black Sea Programme** will build upon the experience accumulated, and look for synergies with the ongoing activities, particularly in relation to measures under Priority Two “Sharing resources and competencies for environmental protection and conservation”.

E. Cooperation activities of the Black Sea Commission

The Black Sea Commission observes or participates in international projects⁷⁵, receives assistance and concludes experience exchanges with similar Conventions, academic organisations and institutions with aims and activities on the eco-systemic approach of the Black Sea from the point of view of nutrient and hazardous chemicals pollution avoidance as well as from the point of view of biological conservation, cooperates with **IMO, EMSA and HELCOM** and **EuDA** for the Black Sea Strategy Implementation regarding harbour facilities for vessel waste taking up, capacity building for identifying illegal used oil discharges and medium and major accidents followed by hydrocarbon

⁷⁵ **Black Sea GOOS, PHARE, ARENA, IASON, Black Sea SCENE, SESAME, PLANCOAST, MATRA, GEF/UNDP Black Sea Environmental Programme (BSEP)** and Black Sea Environmental Recovery Project (**BSERP**): 1993-1996, 2002-2004; 2004-2007; **TACIS /EUROPEAID** 1995/1996, 1996/1997, 2002-2004, 2005-2007, Small Grants Programme, **ICZM** pilot projects; **VITOPIS** – Vessels International Traffic Observation and Pollution Information Systems.

pollution and the development of the network of AIS data exchanges for enhancing navigation safety.

A very important national and international document will be the *River Catchment Management Plan of the Danube River – RCMP* ready to get finalised in 2009. This plan will be supported by Danube riparian countries. In September 2007, the Danube water, on its overall length, has been analysed under the aegis of **ICPDAR**.

At the same time, the Memorandum of Understanding concerning the control of the harbours' status, in its major part based on Paris Memorandum, will fundamentally contribute to the maritime navigation safety in the Black Sea. In its turn, the Black Sea Commission will also contribute to the pollution prevention.

We have to mention here also the Action Programme **NAIADES**, deriving from the integrated EU maritime policy for promoting transport on interior waters and **MARCO POLO II** (2007 – 2013) Programme, the both documents implementing ENP and the policy of extension of priority TEN-T axes to the neighbourhood countries.

Some regional organizations (**BSF, GUAM-ODED, and CDC**) have been actively involved in good governance promotion and rule of law observance. Besides these regional organisations there are other cooperation schemes developed by *National Endowment for Democracy (NED)*, *Eurasia Foundation (EF)*, *Open Society Foundation (SF)*, and **USAID**, EU Member States as Germany, Great Britain, Holland, Sweden and Denmark.

Moreover, the Black Sea Capitals' Governors and Mayors Association set up as a result of a **PABSEC** initiative could become an interesting forum for **ENPI – CBC** project results dissemination.

3.2.3. Interregional Cooperation Strategy

Interregional cooperation is of thematic nature and takes place between regions of different countries, sometimes far away from each other, generally without territorial continuity.⁷⁶ Interregional cooperation may comprise transfers of know-how and experience, the joint improvement of techniques and methodologies contributing to the development of regions or enterprises, the promotion of long distance tourism, etc. Interregional cooperation may also take place between regions of the same country, with or without territorial continuity. Interregional cooperation, as it is understood in European regional policy, is a crucial sphere of work that complements, first and foremost, the practices employed by the various players at a local, cross border or transnational level. For a local authority, it is highly important to work with other regions in the north, east and west of Europe. As a result, initiatives such as INTERREG III C and INTERREG IV C are extremely useful tools.

⁷⁶ Programmes and projects with any EU regions, provided that the beneficiaries belong to three regions located in three Member States or three countries, out of which at least two are Member States.

Chapter 4

Critical Analysis of the Territorial Cooperation in the Black Sea Region

4.1. Environment Status and Risk Prevention

4.1.1. Current State of the Black Sea Ecosystem

The state of the Black Sea environment is reflected by an ex-ante evaluation Report of Joint Operational Programme for the Black Sea Basin 2007-2013 (**JOPBSB**), the latest **TDA** Report (*Transboundary Diagnostic Analysis*, 2007) and the synthesis of the conclusions of the international conference held in Berlin on 7th and 8th of May 2007, presented by Ahmet Kideys, The Executive Director of the Black Sea Commission.⁷⁷

The Black Sea Strategic Action Plan requested that the Contracting Parties to the Bucharest Convention undertook all necessary political and managerial measures to rehabilitate and protect the Black Sea environment from ongoing degradation of its ecosystems and from unsustainable use of its natural resources. National and international efforts targeted at reducing or eliminating the major environmental threats to the Black Sea were highlighted by the **TDA** in 1996, and resulted in some progress but did not fully mitigate consequences of past and present pressures on the Black Sea environment.

1. The Black Sea ecosystem continues to be threatened by inputs of certain pollutants, notably nutrients. Nutrients enter the Black Sea from land based sources, and in particular through rivers. The Danube river accounts for well over half of the nutrient input to the Black Sea. Eutrophication is a phenomenon which occurs over wide areas of the Black Sea and should be of concern to the countries of the Black Sea Basin.

Identified in the Black Sea Transboundary Diagnostic Analysis as one of the major threats to the Black Sea environment, eutrophication still remains a priority problem for the Black Sea. A reported slightly decreasing trend has not reached a sustainable level. Consequently a basin-wide strategy for the reduction of nutrient inputs into the Black Sea brought together efforts of the coastal and inland states of the Black Sea Basin. This commitment to the reduction of nutrients and priority pollutants is expressed in the Brussels Ministerial Declaration, November 2002. The Memorandum of Understanding between the Black Sea Commission and ICPDR initiated the cooperation between the two Commissions, focused on pollution reduction measures in the Danube and Black Sea basins.

2. Inputs of insufficiently treated sewage result in the presence of microbiological contaminants, which constitute a threat to public health and in some cases, pose a barrier to the development of sustainable tourism and aquaculture. Bacteriological pollution

⁷⁷ Ahmet Kideys, 2007 – International Conference “EU and Black Sea Regional Cooperation”, Berlin 7-8 May 2007, Sudosteuroopa Gesellschaft in cooperation with Auswartiges Amt.

which results from inputs of insufficiently treated waste waters became less frequent and more local due to significant improvement of the municipal sector in Romania and Bulgaria. Some progress was achieved in Ukraine, the Russian Federation, and Turkey. Less visible changes occurred in Georgia. Constituting a threat to the human health and posing a barrier for development of sustainable tourism and aquaculture, bacteriological pollution continues to affect the socio-economic development of the coastal population which is further hampered by the economic conditions of the transitional economies in the coastal states.

3. In addition, inputs of other harmful substances, and especially oil, continue to threaten the Black Sea ecosystem. Oil enters the environment as a result of accidental and operational discharges from vessels, as well as through land based sources. Almost half of the inputs of oil from land based activities are brought to the Black Sea via the Danube River. An expected double increase of oil traffic in the Black Sea raises an urgent need for implementing necessary precautionary measures such as contingency planning, strengthening the capacities of response authorities, improving salvage and rescue operations, etc.

4. Moreover, the past introduction of exotic species has seriously damaged the Black Sea ecosystem and constitutes a threat to the adjacent Mediterranean and Caspian Seas. The devastating impact of *Mnemyopsis leydii* on fisheries in the Black and Azov Seas clearly evinced the potential threat from exotic species and showed the vulnerability of the unique ecosystem of the Black Sea to biological pollution. The fisheries sector nearly collapsed due to the destructive impact of this predator on fish stocks and on the Black Sea ecosystem. A recent invasion of the *Beroe ovata*, a natural enemy of *Mnemiopsis leydei*, offers the first positive sign for the improvement of the situation.

5. Inadequate resources management and, in particular, inadequate policies with respect to fisheries and coastal zone management continue to impede the sustainable development of the Black Sea Region. Most fish stocks in the Black Sea, already stressed as a consequence of pollution, have been over exploited or are threatened by over exploitation; many coastal areas have deteriorated as a result of erosion and uncontrolled urban and industrial development, including the resultant construction activities. Consequently, there is a serious risk of losing valuable habitats and landscape and ultimately, the biological diversity and productivity of the Black Sea ecosystem.

Taking into account the availability of framework national legislations, the international obligations of the Black Sea coastal states to numerous conventions, as well as the level of public awareness, the serious risk of losing valuable habitats and landscape, and ultimately the biological and landscape diversity and productivity of ecosystems is lessened to a certain extent. The more serious problem stems from the inability of Black Sea coastal states to rehabilitate valuable habitats, landscapes, and biodiversity that entails significant investments for combating erosion and coast protection. Inadequate resources, both managerial and financial, and the economic and social problems are all

interrelated. Most of the Black Sea coastal states have inadequately staffed and equipped local authorities, which are unable to effectively enforce existing national environmental legislation.

6. The above considerations led to suggestions that the process of degradation of the Black Sea is irreversible. However, environmental monitoring, conducted over the past 4-5 years, reflects perceptible and continued improvements in the state of some localized components of the Black Sea ecosystem. These improvements appear to be the indirect result of reduced economic activity in the region, and to a certain degree of protective measures taken by governments. The challenge which the region now faces is to secure a healthy Black Sea environment at a time when economic recovery and further development are also being pursued.

Signs of improvement in the state of the environment of the Black Sea are becoming more and more visible. A similar trend is reported for the economies of the coastal states. Economic growth that was reflected in the national statistics of the Black Sea coastal states in 2000 may result in an increased pressure on the Black Sea environment. Therefore, the task of securing a healthy Black Sea environment becomes more urgent.

7. The Strategic Action Plan is a step in the process towards attaining sustainable development in the Black Sea Region. Its overall aims are: to enable the population of the Black Sea Region to enjoy a healthy living environment in both urban and rural areas; to attain a biologically diverse Black Sea ecosystem with viable natural populations of higher organisms, including marine mammals and sturgeons; and to support livelihoods based on sustainable activities such as fishing, aquaculture and tourism in all Black Sea countries.

These ambitious goals appeared to be more difficult to implement than was expected because most of the Black Sea coastal states were and are struggling through economic transition and social changes. At the same time, the attraction of international assistance, in particular its investment component is a slow and time consuming process that requires thorough preparatory work as well as changes of the national legislation for the creation of favourable investment climates.

Prompt action is called for to safeguard marine resources. The European Commission has adopted a Thematic Strategy for the Marine Environment which will be the environmental pillar of a future maritime policy.

Maritime safety policy plays a major role in the protection of our marine environment. Community legislation, measures and controls have been reinforced following the *Erika* and *Prestige* tanker disasters in 1999 and 2002. The banning and the gradual withdrawing of single-hull oil tankers, the close monitoring and strict enforcement of the implementation of existing legislation, more controls in EU territorial waters and inspections in ports, the partial harmonization of penal sanctions for marine pollution and the creation of the *European Maritime Safety Agency (EMSA)* are examples of the huge effort which has been made to improve maritime safety in the EU.

Legislation can also be backed up by other types of action. As *Baltic Sea States Subregional Cooperation (BSSSC)* puts it, “The immediate participation of over 40 regional authorities in an Interreg supported project, “Baltic Master”, is the best example for this growing awareness about managing maritime safety and accidents at this level.” This is an example of how Community funds can be used to support the implementation of policy measures.

Two examples of international conventions whose ratification will make a contribution to a healthy marine environment are the *International Convention on the Control of Harmful Anti-Fouling Systems on Ships (AFS)* and the *International Convention for Control and Management of Ship’s Ballast Water and Sediments (BWM)*.⁷⁸

Several Member States have identified the importance of combating invasive species affecting the marine environment through the introduction of ballast water. The introduction of the necessary ballast water treatment technologies should be encouraged. The Commission has made contributions (such as the 5th Framework Programme projects on the Treatment of Ballast Water) to the efforts of the International Maritime Organization (IMO) in implementing the Global Ballast Water Management Programme, which helps developing countries understand the problem, monitor the situation and prepare to implement the **BWM** convention.

The European Dredging Association (**EuDA**) suggested the establishment of “a European Centre of Excellence for the knowledge of the sea and the oceans with as focal themes marine resources, climate change effects, dynamics of coastal zones, impact of infrastructure development, the relationship between development and ecology over longer periods”.⁷⁹ This proposal highlights the multi-faceted nature of marine-related research. Taking account of this could facilitate the exchange of information between sectors and research organizations. Options could include a regular conference to disseminate results of marine-related research and obtaining feedback from industrial stakeholders. The establishment of a single European Internet portal for research-related projects to replace the fragmented web pages that currently exist could be envisaged, too.

It is thus essential that Europe continues to play a leadership role on the world stage in tackling climate change. It needs to continue to consider appropriate measures aimed at reducing climate change, including in the maritime transport and energy sectors. The shipping sector remains a major source of air pollution in Europe. The principal greenhouse gas emitted by ships is CO₂. Ships’ emissions of CO₂ in EU seas were 157 million tonnes in 2000.⁸⁰ This is more than the aviation emissions in the EU air space. In the absence of new policy measures, shipping emissions of NO_x are projected to be higher than all land-based sources combined by 2020.⁸¹ These emissions need to be reduced in line with the Air Thematic Strategy recently adopted by the Commission.⁸² Up

⁷⁸ International Maritime Organization, <http://www.imo.org>.

⁷⁹ EuDA, contribution to the Green Card.

⁸⁰ Quantification of emissions from ships associated with ship movements between ports in the European Community, <http://www.ec.europa.eu/environment/air/background.htm#transport>.

⁸¹ Commission Staff Working Paper - SEC(2005) 1133.

⁸² *Thematic Strategy on Air Pollution*. Communication from the Commission to the Council and European Parliament COM (2005) 446 final, http://ec.europa.eu/environment/air/cafe/pdf/strat_com_en.pdf.

till 2050 it is estimated that out of a total of 877 billion tons, 483 billion tons of CO₂ will be absorbed and stored.⁸³

Deterioration of the marine environment, which can lead to widespread algal blooms in the Baltic, or occasional plagues of jellyfish in the Mediterranean, significantly reduces the quality of life.

Marine environment and biodiversity protection for waters being not under the national jurisdiction has become a priority of the international community.

The sensitivity of the “genuine link” debate in the context of shipping should not prevent progress being made on fisheries. The international community has acknowledged that addressing this problem is a key element in the fight against the widespread practice of Illegal, Unregulated and Unreported Fishing (**IUU**). The Community is supporting developing countries and regions to combat **IUU** by funding action both under fisheries agreements and under the Cotonou Agreement. This support needs to be continued.

In the Mediterranean, the situation as regards the declaration of Economic Exclusive Zones (**EEZ**) or Fisheries Protection Zones (**FPZ**) is not entirely clear. Nevertheless, it was agreed in the fisheries domain that better marine governance required effective jurisdiction of coastal states over their waters, while calling for a coordinated approach. The EU could lead diplomatic efforts to promote such a coordinated approach to maritime space in the Mediterranean and even in the Black Sea. Within the Barcelona process and the European Neighbourhood Policy for Mediterranean countries, the possibility of a cross sectoral conference to address these issues should be considered.

The 4th European regional Ramsar meeting in 2001 unanimously supported the call for support to the **BlackSeaWet**⁸⁴ project proposal elaborated by Wetlands International and endorsed by Armenia, Bulgaria, Georgia, Moldova, Romania, the Russian Federation, Turkey, and Ukraine. In 2006, Wetlands International undertook to update this proposal with the aim to establish within 18 months the foundations for the launch of a strategic regional initiative to catalyze the conservation and wise use of Black Sea coastal wetlands. The project was launched in 2007 to establish public endorsement, donor awareness, and approval of a **BlackSeaWet** vision and portfolio of activities, and to lay the foundations for civil society engagement.

4.1.2. Oil pollution

The latest large scale accident in Kerch Strait has got public attention, once again, over the fact that the oil pollution issue remains an extremely concerning one. The Kerch Strait oil leak caused damages that can be recovered only in 5 to 10 years ahead. According to World Wildlife Fund (**WWF**) experts, this huge spilled oil quantity has affected fishing

⁸³ IFP – Recherche et Développement, Formation et information pour un développement durable dans les domaines de l'énergie, du transport et de l'environnement, http://www.ifp.fr/IFP/fr/espacepresse/Dossier_CO2/5_ADEME_FicheActionsCO2.pdf.

⁸⁴ The Black Sea Commission Secretariat received from *Wetlands International* Resolution VIII.30 which stipulated that a mobilization fund of 103,000 Swiss francs was submitted for approval to the Coordination Committee. The fund was approved. The whole sum asked for by regional networks was 245,777 Swiss francs.

almost irreversible. Local fish are not edible anymore; more than that, 11 species of rare birds spending winter in this area are endangered.⁸⁵

4.2. Entrepreneurship, Trade and Economic Cooperation

The specialists deem that there are, at present, in the world, three agreed models of the development of the society.

Thus, the **society based on costs** – which is built in Romania at present, starting with 1990 – has, as main lever, the reduction of the costs on all levels, trying to increase the economic competitiveness by reducing the cost of the products and services. The advantage of such a model is the increase of exports of products and services, as well as ensuring a production accessible to the population with low income. But the model has also disadvantages: the decrease of the quality of products and services, lower salaries (with a direct consequence being the loss of valuable human resources and the intensification of the emigration of the competitive young), and economic disequilibrium of companies that deliver products and services only on the domestic market.

The **society based on knowledge** capitalizes on new ideas, innovation, research-development and applying them into the economy. The gain comes from the huge profits that are obtained through the enhancement of the products' value and the new technologies, introducing them on the market for a period of time. It is a known fact that at a certain time, the products become old fashioned and the profits decrease.

With this model, the advantage is in harnessing highly qualified human resources and drawing others from less developed countries, maintaining a domestic market very dense with modern products and technologies, of a very high technical level, maintaining a high percentage of innovative companies, flexible in adapting to market changes, and ensuring a robust economy. The disadvantages are the high budgetary efforts for the research-development activities, innovation and technological transfer.

Finally, the **society based on investments** is rooted on investments in the most performing production units for consumer goods meant to offer a high standard of living.

It is the type of development adopted by the countries that became rich suddenly, for example after the discovery of new resources (oil, gold, diamonds, etc.). These states are interested that, in short term, to satisfy the consumption needs of the population through their own production. They buy massively licenses and new technologies. The advantages in these cases are the fast launch of a consumer market and the increase of the technical level based on buying the experience of others. The disadvantages are also very important. Such a model of development requires an enormous volume of investments in a short term. Also, the risk of social decline is increasing in case the source of richness disappears, and such a structure induces a certain economic rigidity due to the lack of research-development and innovation.⁸⁶

⁸⁵ Source: WWF News, 16.11.2007.

⁸⁶ After WWII Western Europe has had a period of development based on investments from US through the Marshall Plan, and from its own sources, afterwards. Due to the fact that Western Europe is the biggest force in fundamental and applicative science, the EU leaders deem as timely the transition towards a new type of development based on knowledge focused on applicative research and innovation, intention which

The integration into the European Union of the East European countries, Romania included, has created the premises for the 15 old Member States of the EU to transit simultaneously from a society based on investments to a society based on knowledge, and allowed the other 12 new members to transit from the society based on costs to the same society based on knowledge. The leap taken by the 12 states will be a huge one and it will take great efforts of organization, mentality change and investments in research-development and innovation, of developing new activities and new services to transfer those results into economy.

The activities specific to the development based on knowledge entitle, firstly, the technological transfer, i.e. the transfer of the results of the research-development and innovation into economy. This activity requires a specific infrastructure (centres for technological information, liaison office, innovating centres, scientific and technological parks, etc) and is backed by the INFRATEC Programme. The problem that has not been solved so far is that of ensuring a system to draw the interest of the economic agents to take new projects under conditions of free market and competition.

4.2.1. Trade and Economic Cooperation

A socio-economic analysis of the six Black Sea coastal countries was undertaken for use within the TDA2, using information provided by national consultants and World Bank indicators data. It was not possible to obtain data specifically on the 6 national Black Sea sub-basins, but an average of the 6 national datasets provides a reasonable regional perspective.

Approximately 20 of the 160-plus million people in the Black Sea catchments live within the Black Sea coastal zone (excluding Istanbul). However, if Istanbul is included, this figure almost doubles to 39 million. Population densities in the coastal zone vary between 60 and 100 people/km² (excluding Istanbul), or 187 people/km² if Istanbul is included. Approximately 7 million people are connected. Available data suggest the proportions of populations living in coastal administrative areas which are connected to sewerage systems range from about 53% in Russia, to >90% in Bulgaria, Georgia and Romania. (No information available for Ukraine). A coastal population of some 7 million inhabitants is connected to sewerage systems discharging directly into the sea.

Since 2000, personal wealth has increased, but not as rapidly as inflation. Furthermore, this increase in wealth has been concentrated in the hands of a relatively small number of rich individuals. Compared to mature, developed democracies, the middle class is substantially reduced in size.

is materialized by Lisbon Strategy. Eastern Europe, including Romania has had throughout the whole post-WWII era a development based on costs, which involved the halt on the external mobility of specialists and their inefficient use. After 1990, the free movement of specialists has generated, among other, the loss of a great deal of them, especially the brightest, without their replacement by younger ones.

4.2.2. Economic Structure and Performance

Today the trade in the Black Sea Region is considered to be relatively low – only 17 % of total foreign trade of the riparian countries. Its increase in future would be a relevant indicator for the deepening of regional cooperation and would create a solid base for mutual understanding and the development of economic relations. A Black Sea Development Institute might facilitate the accomplishment of this desideratum.

The indicator of GDP per capita reflects the great disparities between the countries' economies, ranging from approx 650 Euro for Republic of Moldova to approximately 14,400 Euro for Greece, with an average of 3,270 Euro in 2005. This average is more than six times lower than the EU-25 average GDP per capita and corresponds to an upper middle-income level according to the World Bank classification.

Table 2 – Gross domestic product per capita (GDP), current prices (thousands Euro)

Country	2000	2001	2002	2003	2004	2005	2006
Armenia	0.36	0.48	0.53	0.62	0.71	0.82	0.89
Azerbaijan	0.47	0.50	0.55	0.63	0.75	1.07	1.72
Bulgaria	1.14	1.23	1.43	1.84	2.25	2.49	2.66
Georgia	0.50	0.53	0.56	0.66	0.87	1.07	1.27
Greece	7.47	7.71	8.76	11.33	13.49	14.46	14.79
R. Moldova	0.25	0.30	0.33	0.40	0.52	0.60	0.66
Romania	1.21	1.31	1.50	1.96	2.49	3.27	3.78
Russian Federation	1.28	1.52	1.71	2.15	2.97	3.87	4.56
Turkey	2.22	1.58	1.93	2.49	3.09	3.64	4.10
Ukraine	0.45	0.56	0.63	0.75	0.99	1.25	1.45

Source: International Monetary Fund, World Economic Outlook Database, April 2006

Table 3 – Gross Domestic Product purchasing power parity (PPP) per capita GDP (thousands Euro)

Country	2000	2001	2002	2003	2004	2005	2006
Armenia	1.43	1.89	2.18	2.53	2.84	3.07	3.25
Azerbaijan	1.84	1.99	2.17	2.45	2.74	3.31	4.25
Bulgaria	4.52	4.85	5.21	5.59	6.09	6.64	7.20
Georgia	1.61	1.74	1.87	2.14	2.35	2.61	2.79
Greece	11.97	12.74	13.41	14.28	15.24	16.12	16.93
R. Moldova	1.09	1.19	1.30	1.43	1.57	1.71	1.83
Romania	4.18	4.54	4.87	5.25	5.85	6.32	6.80
Russian Federation	5.19	5.62	6.00	6.61	7.31	7.95	8.57
Turkey	4.73	4.41	4.62	4.90	5.39	5.72	6.03
Ukraine	2.96	3.35	3.61	4.08	4.73	5.16	5.59

Source: International Monetary Fund, World Economic Outlook Database, April 2006

When compared in Purchasing Power Parity (PPP) units, the table appears slightly different, with some countries ranking at a lower position than that observed in current prices. This is the case for Turkey for instance. By contrast, some other countries, such as Bulgaria, show a much stronger purchasing power than that measured in current currency.

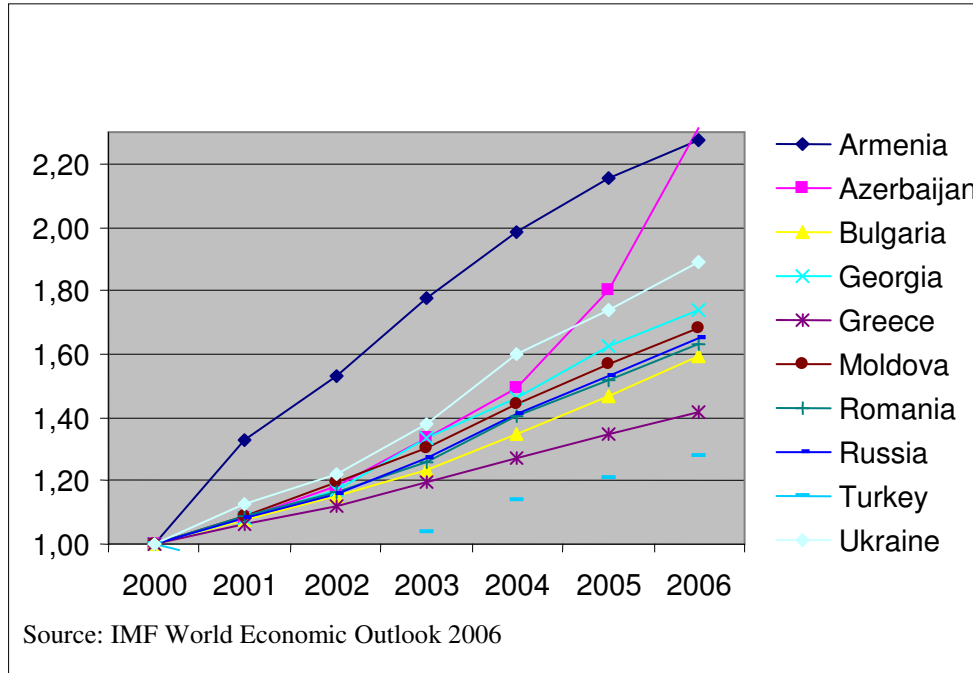
Table 4 - Ranking of countries by GDP per capita – PPP and current prices

In PPC	(thousands Euro)	In current prices (thousands Euro)
Greece	16.93	Greece 14.79
Russian Federation	8.57	Russian Federation 4.56
Bulgaria	7.20	Bulgaria 2.66
Romania	6.80	Romania 3.78
Turkey	6.03	Turkey 4.10
Ukraine	5.59	Ukraine 1.45
Azerbaijan	1.45	Azerbaijan 1.72
Armenia	3.25	Armenia 0.89
Georgia	2.79	Georgia 1.27
R. Moldova	1.83	R. Moldova 0.66

Source: IMF, World Economic Outlook Database, April 2006

Most countries in the Black Sea Region have experienced an intense economic growth for the last few years, much stronger than the EU average. In 2004, GDP growth for 8 out of the 10 countries was above 7%, while the area enjoyed an average growth of 7.8%.⁸⁷ GDP growth led to a slight increase in the gap between the higher and the lower incomes in the area, even if together the other 9 countries got closer to Greece, which starting from the highest GDP level, showed the lowest growth rate in the group of 10 Black Sea countries.

Fig 1 Development of GDP per capita in PPP, index of 2000 = 1.00



The eligible regions, where the entire country is not part of the programme area, often show a lower GDP per capita than the national average, as is the case in Ukraine, Bulgaria and Romania.

The productive structure in the Black Sea Basin programme eligible area shows a larger share of agricultural and industrial sectors than the EU average. Agriculture accounts for about 14% of total GDP, the industrial sector for 30% and services for 56%. The eligible regions show a large diversity in this respect, from predominantly rural areas to heavily industrial regions, in some cases strongly linked to the oil industry, and to service oriented economies in the tourism areas.

The large energy and mineral resources have a substantial economic impact on many of the eligible regions. Most Black Sea Basin countries have major stakes in the oil and gas sectors, either as producers (Russia, Azerbaijan) or transit countries (Russia, Georgia, Romania, Turkey and Ukraine). The regions on the Black Sea are directly impacted by the

⁸⁷ According to United Nations (UN) statistics.

development of energy networks, being the site of some of the main existing and planned infrastructure.

4.2.3. International Trade and Investment

Most of the countries in the Black Sea area have a negative trade balance, contrasted by a strong positive balance in investment flows for most of them. Both commercial trade and investment flows are almost entirely oriented to external (i.e. outside the Black Sea Region) commercial and financial partners, with a few exceptions such as the Greek economic initiatives in some of its neighbouring (Black Sea Basin) countries. All countries but Russia and Ukraine have a negative balance in international trade. The deficits amount to up to 38% of GDP. In most countries this negative balance is growing, with the exception of Russia, where the surplus is substantial and slightly growing in the last years. The share of trade that remains internal to the Black Sea Basin is very limited, consisting mostly of energy.

Table 5 – Trade balance (export – import) as % of GDP

Country	2002	2003	2004	2005
Armenia	-18	-18	-15	-13
Azerbaijan	-7	-24	-24	3
Bulgaria	-7	-9	-10	-16
Georgia	-13	-14	-12	-12
Republic of Moldova	-25	-34	-31	-38
Russian Federation	11	11	13	13
Turkey	-2	-4	-6	-7
Ukraine	4	3	7	1
Romania	-6	-7	-9	-10
Greece	-9	-9	-9	-7
Euro zone	3	2	2	1

Source: World Bank Development Indicators

The capability of the participating countries to export high technology is very far below the EU average, the only exceptions being Russia and Greece. Georgia shows a very high index as well but this is probably due a different statistical structure of this indicator in Georgia and the very limited range of exports of this country.

Table 6 – High technology exports as percentage of total exports

Country	2002	2003	2004	2005
Armenia	1	1	1	1
Azerbaijan	8	5	2	1
Bulgaria	4	4	4	5
Georgia	44	18	38	23
Republic of Moldova	5	3	4	3
Russian Federation	13	19	9	8
Turkey	2	2	2	2
Ukraine	5	7	6	4
Romania	3	4	3	3
Greece	12	12	11	10
Euro zone	16	16	16	16

Source: *World Bank Development Indicators*

4.2.4. Attractiveness for Foreign Direct Investment

The external macro economic equilibrium is supported at the moment by certain key factors balancing the widespread trade deficit. Among them there are the Foreign Direct Investments (FDI) and the money transfers (remittances) of the emigrants to their home countries.

The impact of FDI is substantial on the acceleration of economic development, the growth of technologically advanced activities and the balancing of factors pushing the most skilled and educated workers into emigration. All countries in the area have proven to be attractive for FDI, with the key indicator of FDI as % of GDP being much higher than the EU average. Furthermore, all of the countries show growth in this indicator over the last five years. Greece is the only exception in this context, having a lower figure than the other Euro zone countries.

FDI is focussed mainly on the exploitation of natural resources, the construction of infrastructure for energy networks and most importantly, the creation of manufacturing plants. The latter seems to be due to the competitiveness of the labour supply in the area, with good availability of skilled workers and a very low level of salaries, as will be described in the section below regarding the labour market.

Table 7 – Foreign Direct Investments (FDI) as a percentage of GDP

Country	2002	2003	2004	2005
Armenia	4.66%	4.31%	6.12%	5.27%
Azerbaijan	22.33%	45.15%	40.97%	13.37%
Bulgaria	5.81%	10.52%	10.92%	9.81%
Georgia	4.93%	8.52%	9.74%	7.03%
Republic of Moldova	5.06%	3.72%	3.30%	6.81%
Russian Federation	1.00%	1.84%	2.62%	1.98%
Turkey	0.62%	0.73%	0.95%	2.70%
Ukraine	1.63%	2.84%	2.65%	9.42%
Romania	2.50%	3.10%	8.53%	6.73%
Greece	0.04%	0.76%	1.01%	0.28%
Euro Zone	0.04%	0.76%	1.01%	0.28%

Source: *World Bank Development Indicators*

The two main factors that could hinder this scenario in the next years are competition from other areas, especially from Asia, in terms of labour costs and natural resources and the risks associated with renewed political and economic instability. The accession of Romania and Bulgaria to the EU could have positive and negative impacts for the flows of FDI. On the one hand, there are the improvements in overall stability and the legislative framework in these countries, but on the other hand it is likely that there will be increasing labour costs due to the stronger integration of these countries' labour markets into the EU. These factors could also generate the transfer of some of these flows to other regions in the same Black Sea Basin.

4.2.5. Labour Market

On average, about half of the Black Sea Basin population is active in the labour market. The employment rate is close to 45%, almost 20% lower than the EU average, which was 65% in 2005.⁸⁸ This average for the Black Sea conceals strong differences among the 10 countries, with the lowest levels in Armenia and R. Moldova and the highest, close to the EU average, in countries like Georgia and Ukraine.

The unemployment rate is on average 9.1% of the active population, a percentage very close to the EU average (in 2005 this was 7.9% for the EU-15 and 8.8% for the EU-25), but again a strong variability can be observed at regional level (from 1.4% to 18.2%). These differences among the countries in the Basin are explained by both the structural heterogeneities (share of traditional industries, weight of the agricultural sector) and the pace of economic development and restructuring of the productive sectors in the area (decline in the state industries, growth of services and oil industries, etc).

⁸⁸ "Statistical survey of eligible regions", *Eurostat Yearbook 2006-2007*

Inequalities also appear in regard to age and gender. Youth are often more affected by unemployment. Women's unemployment represents on average about half the total unemployment in the eligible area, but with great disparities at regional level, reflecting strongly varying degrees of integration of women into the labour market. Female unemployment is two to three times higher than male unemployment in the eligible regions of Russia, Armenia, Ukraine and Greece, but it is considerably lower in R. Moldova and Romania and only represents 28% of total unemployment in Turkey. However, the strong heterogeneity of economic structures suggests prudence in making direct comparisons between national cases.

Table8 –Assessment of monthly average salaries

Country	Year	Salary average in Euro
Azerbaijan	2005	113.3
Georgia	2005	91.3
Armenia	2005	116.9
Republic of Moldova	2005	83.8
Russian Federation	2005	238.3
Bulgaria	2005	161.0
Greece	2004	1315.0
Ukraine	2005	150.8
Romania	2004	207.7
Turkey	2005	291.9

Wages levels also reflect the structure of the national economies, with only Greece close to the EU average. All other countries present average levels that are 10% to 25% of the level in Greece.

4.2.6. Partnerships

Entrepreneurial partnership does not lack in the region. Some initiatives initiated by Romanians, will have the opportunity to generate efficient cooperation as they have developed activities many years ago, and have had enough time to be known.

The Association for the Development of Women's Entrepreneurship (ADAF)

The association has been established in 2001 as an initiative of a group of women managers from the Chamber of Commerce and Industry of Romania (**CCIR**), Romexpo and the Romanian Business Centre "Black Sea". **ADAF** was established after an analysis of the needs of the women's entrepreneurship, an evaluation of the obstacles identified

within the business environment, at the entire country level through the offices of the members of the Parliament from the territory, through direct contact between the representatives of the chamber system of Romania and the business women members of **CCIR**, through polls taken during exhibits among the participants from the business community, through the analysis of the problems identified by the entrepreneurs at the events organized by the Romanian Business Centre “Black Sea” and compared with the international study of this sector of population. **ADAF** is the founding member of **CAFA** – the Coalition of the business women and has the secretarial position for 2007.

The Balkan Centre for Cooperation between Small and Medium Enterprises

The initiative for Balkan cooperation between Small and Medium Enterprises (**SME**) belongs to Romania, through the National Agency for Privatization, who organized the first reunion at the level of experts in this field, from Balkan countries, in Bucharest, in November 1991. Three more similar reunions followed in Thessaloniki (March 1992), Istanbul (June 1992) and Varna (October 1992). During the negotiations the accent fell particularly on the creation of a Balkan Centre for Cooperation between the Small and Medium Enterprises. In the beginning there have been three propositions for headquarters, namely: Bucharest, Thessaloniki and Istanbul.

On the 21st of October, 1992, at the forth meeting, in Varna, the Agreement for Establishing of the Balkan Centre for Small and Medium Enterprises has been signed by the representatives of the governmental organizations that issue programmes and policies to stimulate the sector of the **SME** from Albania, Bulgaria, Greece, Romania and Turkey. The document has been approved by the Romanian Government through Government Decision no.237/1993. The Agreement stipulates the following:

The Centre is an operational, consultative body that represents the organization that issue and apply the policy that stimulates the development of the small and medium enterprises from each member country. The Centre represents a unique experience in this field, and is the first body of this kind created at international level. For Romania, the project was applied by the specialists from the Council of Coordination, Strategy and Economic Reform. The financing of the Secretariat is ensured by the Romanian Government, representing the Romanian contribution for this cooperation agreement.

The General Assembly decides over the financial resources that may come from annual subscriptions of the member countries, donations, accumulated reserves and other sources.

The Secretariat fulfils the tasks established by decisions of the General Assembly. At the first session of the General Assembly, the delegations from Romania and Turkey have proposed the extension of the Balkan Centre to the Black Sea area. The proposition has received the unanimous support of the founding members. Therefore, the governmental organizations responsible with the policies regarding the **SME** sector from Armenia, Azerbaijan, Georgia, Moldova, Russia and Ukraine have been invited to join the founding

organizations from the Balkan countries in order to extend the **SME** cooperation from the Balkan area to the Black Sea Region.⁸⁹

On the 21st of March 1994, **EOMMEX** (The Organization for Small and Medium Enterprises from Greece) inaugurated the Thessaloniki branch of the Centre and, in 1996, **KOSGEB** (The Organization for Small and Medium Enterprises from Turkey) opened another branch of the Centre in Istanbul.

The main activities of the Secretariat of the Balkan Centre are:

- Creating the data base files (companies' profiles, events, partners, useful information, reports, etc.) and updating them; creating a data base with business opportunities from the member countries; updating the information and distributing it in the member countries through the member organizations and the branches, the chambers of commerce and industry, the consulting and business centres, the **SME** associations;
- Issuing the magazines for the private small and medium enterprises in Romanian language, distributed towards the **SME** through their associations, through the consultancy and business centres, through the chambers of commerce and industry (1995-1996); issuing and publishing the magazines *Reform and SME development in Romania* and *Reform in Romania*, in English language (1997); issuing reports, studies and synthesis, legal propositions regarding the **SME** sector;
- Organizing classes/seminaries and fairs for the small and medium enterprises in Greece through **EOMMEX** – Greece; consultancy for **SME**; and support in finding a business partner.

Towards a network of enterprises in the Black Sea and the Caspian Sea

The Romanian business people and those of other 12 countries members of the Black Sea and Caspian Sea Entrepreneurship's Confederation Union (**UNBCCE**) want to develop a network of enterprises to extend the business between the member countries, especially in the energy sector,⁹⁰ but also in agriculture, trade or environment protection. They do not want to compete with the programmes initiated by the governments from this area, but only to find new business opportunities.

⁸⁹ In Thessaloniki (March- April 1995), the General Assembly, in the second session approved the formal accession requests of Armenia, Azerbaijan, Russian Federation, Moldova and Ukraine as members of the Centre. Regarding the cooperation possibilities of the Balkan Centre with other international organizations, the proposals of the representative of the Black Sea Economic Cooperation Secretariat like exchanges of information and experience and joint participation to Balkan Centre and Black Sea Economic Cooperation events were welcomed by the participants. The participants approved also the proposal to create an information network between the Member States and decided that there is a need for a closer cooperation with European Union within the **SME**-related programmes.

⁹⁰ Source: General Secretariat of the Trade Union Alliances in Romania, Mihai Manoliu. Romania, Turkey, Serbia, Greece, Macedonia, Bulgaria, Azerbaijan, Albania, Bosnia and Herzegovina, Georgia, Kazakhstan and Iran are part of **UNBCCE**.

4.2.7. Other Initiatives

UNDP co-finances, in Greece and Turkey, a three-year programme that has started in 2007, namely the *Black Sea Trade and Investment Promotion Programme* which aims at intraregional trade expand and investment interconnection. This programme could generate relevant synergies, especially within Priority 1 focused on Local Development where the favourable business investment environment promotion for public and private investment initiatives represents one of the key areas.

The **OECD** Development Centre will produce with the financial support of some sponsors in Greece, Romania and Turkey, the *Black Sea and Central Asia Economic Outlook (BSECAO)*. The project aims at promoting the systematic monitoring and evaluation of economic performances and facilitates the information and dialogue exchange for building partnerships schemes between regional institutions and research institutes networks.

Chapter 5

Romania's Potential Contributions for the Achievement of the Strategic Objectives of European Union in the Black Sea Region

In Romania's vision, the Black Sea Region is a connector of crucial importance of the Euro-Atlantic community (as a security supplier and energy consumer) to the strategic area of Middle East-Caspian Sea-Central Asia (as energy supplier and security consumer).⁹¹ The commitment to contribute to building security and cooperation in the Black Sea Region, the active support to building a Euro-Atlantic Strategy for Black Sea Region, as well as the launch of the Black Sea Forum for Dialogue and Partnership, represent three interconnected elements of a distinctive and valuable distinctive direction of the new Romanian National Security Strategy.

On the 5th of June 2006, Bucharest hosted the summit launching the **Black Sea Forum for Dialogue and Partnership** that brought together Heads of State and Government, Ministers and other high representatives of the Black Sea countries, as well as senior officials of the European Union and NATO, European countries and the United States, regional and international organizations. The Forum was also attended by representatives of NGOs, think-tanks, academic and research institutions, the civil society and business associations and companies from the region and the Euro-Atlantic community.

The **Black Sea Forum for Dialogue and Partnership** is an inclusive and transparent process of reflection on the region, its identity and its future, bringing together all contributing actors with a view to fostering synergy, enhance confidence, building and facilitate achievable regional projects that address genuine regional needs. Such a process is based upon an active and open-ended dialogue among state bureaucracies and civil societies of regional countries, as well as with institutions, governments and academia of the Euro-Atlantic community. The Black Sea Forum is not just another seminar about the Black Sea Region, but rather a process of refined interaction at various levels, led and owned by the countries in the region with the support and contribution of the European and Euro-Atlantic community.

The aim of the Forum is to create an overarching platform of engagement within and with the region, in order to forge a regional vision and a common mind-set and to shape coordinating structures based on that common vision. The ultimate aim is to transform the entire region into an area of secure sovereign countries, sharing viable market economies, enjoying open and responsive systems of government, and to maintain strong links and interdependencies with the Euro-Atlantic community, with the prospect of further extending and consolidating the area of freedom, security and stability on the whole shore of the Black Sea and beyond.

Romania encourages the exchange of experience on cooperation issues between the emerging EU Black Sea Dimension and other regional initiatives that target EU neighbourhood – the Stability Pact for South-Eastern Europe, the Euro-Mediterranean

⁹¹ *Strategia de Securitate Națională a României. România Europeană, România Euro-Atlantică: pentru o viață mai bună, într-o țară mai sigură, democratică și prosperă* (National Security Strategy of Romania. European Romania, Euro-Atlantic Romania: For a Better Life, in a Safer, More Democratic and Prosperous Country), Bucharest, 2006, pp. 19-22, <http://www.presidency.ro/static/ordine/SSNR/SSNR.pdf>.

Partnership (Barcelona Process) and the Northern Dimension – in order to identify the lessons which could be learned and to provide inspirational sources for its projects.

5.1. The Area of Institutions

Romania would like to reform and make more efficient **BSECO**, but at the same time considers that a “market for the regional cooperation” will bring efficiency to the existent cooperation processes. A potential source of concrete projects could be the 17 Working Groups of the **BSECO** that cover the vital sectors in which the European Union is interested. This institutional infrastructure supplies enough knowledge and analysis specific to the area in order to indicate the best direction for a future development.

Using EU *Black Sea Synergy* as a basis for **BSECO** activity, the Working Groups should interact in order to develop concrete projects establishing priorities for the practical domains of the cooperation. On the other hand, the EU should clarify its demands from the partners in more concrete fashion than before. Only the feasible and measurable cooperation projects will give enough stimuli to overcome possible obstacles raised by policies with short term vision.

Together with **UNDP**, **BSECO** has already taken the first steps to monitor investment climate in the region. These activities can be stimulated by using the experiences from the Western Balkans. Ultimately, the investments are made by the private sector which must be in the central position of every development effort. Therefore, its opinion must be found in propositions and recommendations of the **BSECO**.

The future development of trade in the region will depend on the efforts made by individual countries in the area of promoting and facilitating it. The countries of the region must pay special attention to the necessary measures to improve the coordination of the activities of the relevant agencies inside the country, as well as between countries, to simplify the custom procedures (including those of granting visas) through commercial codes and relevant transparent and trading friendly regulations etc.

The policies designed to simplify and reduce the costs of legal procedures as well as the institutionalization of the out-of court mechanisms will consolidate the sanctity of the contract and of the rights over property and will rise the level of trust of the investors in the region.

There is an imperious need to improve the channels and mechanisms of transfer of the **BSECO** recommendations to the governments of member states in order to be transformed into relevant changes at the national levels of issuing economic policies. For this, conferences could be organized between parliaments with the **BSECO** members. This instrument will facilitate the dissemination of the best practices and harmonize or adapt the rules and technical standards to those of the EU, as well as decreasing the non-physical barriers (custom controls and procedures, delays in ports, brief notes for the railroads).

The Black Sea has been often mentioned as an object of study interesting also for the effects that the climate changes have brought to the marine ecosystems in general. This has been also the reason that Romania proposed through the Ministry of Foreign Affairs the setting up of a **Centre regarding the Regional Changes**, which we propose to be

labelled the **Regional Centre for Studying the Adaptations to the Climate Changes**, in order to position ourselves regionally better in the domain of academic capacities in this field. We see this centre as a Research Base with Multiple Users (**RBMU**) having an interdisciplinary academic character, with an international personnel and high quality equipment. There are offers for the location and there are opportunities for financing based on projects (co-financed by the government, at least by the Romanian Government).

One of the most important demands to start a regional project is the existence of a legal structure for collective action. This is the Black Sea Commission (**BSC**) and it will have to redefine its responsibilities and obligations towards its European partners from outside the area.

Starting the 1st of January 2008, Romania has taken over the chairmanship of the *Eastern Europe, Caucasus and Central Asia (EECAC)* component of the **European Union Water Initiative (IUEA)** that will promote the Millennium Development Goals for water supply and sanitation, through integral management of the resources. The initiative is based on establishing some national dialogues regarding the problems of the management of the waters, the governmental subsequent reforms in the involved countries, followed by the investment phase with IFI capital and private sources. The national dialogues on the water problem have already started in Armenia and Moldova and others are prepared in Ukraine, Georgia and Central Asia countries. These dialogues will acknowledge deeply the need to have common projects and action plans in the region. Also, the systems of identifying oil leaks that are used successfully by the Baltic countries (**HELCOM**) as well as **EMSA (European Maritime Safety Agency)** and **JRC (Joint Research Centre)** should be assimilated.

In the fight against cross border crime on regional level, the **Regional Centre for Combating Transborder Crime (SECI Centre)** in Bucharest can have an essential input in the Black Sea Region, due to the fact that is an important contributor to the security of the South-Eastern European states and is considered the adequate instrument for transferring the experience and good practices in the region. From this point of view it must be mentioned the fact that the **SECI Centre** has offered assistance and expertise to set-up the **GUAM Virtual Centre** to fight terrorism, organized crime, drug smuggling and other types of serious crimes. In order to increase **SECI Center's** impact in the Wider Black Sea Region, it should be connected and constantly cooperate with the **Black Sea Border Coordination and Information Centre** in Burgas, Bulgaria.

Regarding the permanent monitoring, systematic study and adequate understanding of the extremely dynamic geopolitical evolutions in the Wider Black Sea Region, we consider useful to create a specialized research structure that will offer the necessary expertise for informed foreign and security policy decisions. We see this structure as an academic one, but with a profound pragmatic character, an interdisciplinary profile and regionally orientated, backing the European and Euro-Atlantic priorities in the Wider Black Sea Region. Working as a research institute, it would have a double subordination – the Romanian Academy and the Romanian Parliament.

Except for the Centre of Geopolitics and Visual Anthropology of Bucharest University (affiliated, therefore, to a higher education institution) there is no other research institution in Romania – institute or centre – expressly dedicated to geopolitics. The institutes and the research centres as well as the NGOs that activate in the sphere of diplomatic, strategic, security and defence studies are involved in geopolitical topics only peripherally. By setting up an **Institute on Regional Geopolitics** in Bucharest, will be re-launched an intellectual tradition that had a remarkable development before the communist era. Developed on the eve and during World War II, with an interdisciplinary character, the Romanian school of geopolitics was able not only to assert itself in the dialogue of ideas with the great currents and geopolitical schools of the time, but also to generate the creation of the first review of geopolitics in Romania and one of the first of this kind in Europe – *Geopolitics and Geo-history. Review for South- Eastern Europe* (1941-1944). After a gap of almost half of century, the studies and the researches with a geopolitical profile published by sociologists, historians, international relations analysts and political scientists have known in Romania a remarkable resurrection that demands an adequate institutional setting.

The setting up of an institute with a regional geopolitical profile could become *an element of stirring the academic support for the new pro-active foreign policy of Romania in the Black Sea Region*. Besides offering the necessary expertise for the decision makers, an **Institute on Regional Geopolitics** in Bucharest could take the initiative of creating a *consortium of centres and institutes for geopolitical research in the Wider Black Sea Region*, which, in turn, could be transformed in a *lobbying factor for promoting the European strategy in the region*.

The triple status of Romania in the security and defence domain - eastern frontier of NATO and European Union and future host country to American military bases – means taking more responsibilities for securing the stability and security and the democratization of the countries from the Wider Black Sea Region, the Greater Middle East and the Western Balkans. Mapping the alignments for a more consistent presence in these areas of outmost geopolitical interest for Romania, articulating a Romanian point of view on the regional geopolitics and geopolitical relations at the global scale, can be accomplished in a more coherent and systematic way through such an institute.

At the same time, against the background of the interdisciplinary efforts to draft the energy strategy of the European Union and secure the energy security of Romania, the future **Institute on Regional Geopolitics** in Bucharest could assume the task of studying extensively the correlation of forces and geopolitical relations between the main regional and international actors that are active in the sphere of the geopolitics of energy.

The financing of the activity of the Institute could be acquired from governmental sources as well as the support of the Bucharest branch of German Marshall Fund of the United States (GMFUS), NATO and EU. The official launch of the concept for this project could take place at the preparation reunion organized by GMFUS before the NATO Summit in Bucharest (2008).

As an EU Member State, Romania has the obligation to offer technical assistance to the third countries that need to adopt standards as close as possible to those of the EU. Romania could get involved in the transfer of expertise to the Black Sea riparian

countries in the following areas: **European affairs, education and assistance for development.** From this last point of view, it should be mentioned that Romania will have two of the states from the area as priority recipients of assistance for development, which amounts to a total value of 0.11% from GDP in 2007 and 0.58% of GDP in the following years until 2013.

5.2. The Regulations Field

The Bucharest Convention signed in Bucharest on the 21st of April 1992 regarding the protection of the Black Sea against pollution must be modified.⁹² Concrete propositions have already been formulated and they are correlated to other similar Conventions in order to allow EU to become a signing party, and not merely an observer, of the Bucharest Convention. Besides lobbying for the EU accession to the Bucharest Convention, Romania can take actions of convincing Brussels' decision-makers to set up, together with the European Commission, a code of good practice in the environment field.

5.3. The Infrastructure Field

Rehabilitation of transport systems and connections in the Black Sea Basin area combines national transport programmes with the development plans of the Pan-European transport corridors. In the Black Sea Basin area, three major initiatives and processes are currently under way regarding transport networks:

- The transport corridor Europe-Caucasus-Asia (TRACECA), which was launched in 1993 and now covers 14 Black Sea and Central Asian countries;
- The “Central Transport Axis” including the Northern Black Sea (linking central Europe to Ukraine);
- The “South-Eastern Transport Axis” including the Southern Black Sea (linking the Balkans, Turkey, Caucasus and the Caspian Sea).

Other initiatives in the area include:

- The Baku Initiative, launched in 2004 and bringing together EU, Black Sea and Caspian Sea littoral states;
- The Baku-Tbilisi-Kars railway project, a joint initiative of Azerbaijan, Georgia and Turkey that will offer an alternative transport link between Europe and Central Asia;
- The Black Sea Ring Highway.

⁹² Law no. 98 from 09/16/1992.

5.3.1. Catching-up in the Modernisation of the Transport Infrastructure for the Access to the Silk Road

The “Silk Road”, according to some shortly becoming the “Oil Road”, has been under debate for quite some time. One thing is important, that the establishing and functioning of a cross-continental route of transport does not mean only the road itself but an entire sum of concepts:

- ✓ infrastructure and modern parameters;
- ✓ equipped and organized in all the points of transfer, junction and ramification;
- ✓ adequate transport means;
- ✓ exploitation, management and organization harmonized and integrated to the arterial system etc.

But, through links and ramifications, this way of transport, that will be labelled the Silk Road 2000 (**SR 2000**), will be of interest basically to all the countries in Asia and Europe that are preoccupied to accomplish and intensify the exchange of goods. Countries such as China, the five countries of Central Asia, Iran, Turkey, the three South Caucasus countries, Russia, Ukraine and Romania, producers of a wide variety of goods for international exchange, make more plausible the estimations that the SR 2000 will become a road for oil, natural gas, and other products, agricultural and foodstuffs.

All the modes of transportation – railroad, road, river, sea (maritime) – can contribute to set up SR 2000, since the necessary infrastructure already exists. The only railroad missing link is at the Black Sea crossing between Caucasus and Constanta. But, a part of SR 2000 is the future line Constanta – Poti, which will have the following characteristics:

- ✓ a logistic component of the economic cooperation in the Black Sea;
- ✓ a line that uses the existing harbour and navigation capacities;
- ✓ a linking line between Europe and Asia, favourable to goods of import/export and international transit.

At the same time, besides these characteristics, establishing the Constanta – Poti line involves the accomplishing of the following conditions:

- ✓ continuity, fluency and speed at the transfer points;
- ✓ multifunctional type of ships;
- ✓ a UTI (units of multiform transportation transfer) park;
- ✓ “door to door” transport organized and followed by companies and specialized expedition companies;
- ✓ management, organization, regulation and unified fees for SR 2000.

A very important element is also the fact that for the line to function there can be used:

- ✓ the existing infrastructure in Constanta South, including the containers terminal that is scheduled to be built;
- ✓ the multifunctional ships, RoRo and PC (Port Container) ferryboat;

- ✓ the infrastructure in the Poti harbour (under certain conditions).

Even though the possibilities of setting up the Constanta-Poti line have been underlined as part of SR 2000, in chapter five of the book “ The Silk Road in the 21st century”, it is emphasized the fact that:

- ✓ as for now, Romania is not considered for SR 2000, but the delay can be overcome through adequate measures;
- ✓ any action linked to the Romanian participation at the SR 200 must consider the competition and, most of all, the cooperation with Russia and Georgia;
- ✓ Romania must not invest in infrastructure projects outside the country but in projects connected to SR 2000 on its territory;
- ✓ Romanian cooperation is essential to the success of the entire venture.

Priority will be given to continue the work for infrastructure development of the main port that operates in goods in the river-sea sector of the Constanta port, stressing this way its competitive advantage – the connexion with the Danube through the Danube-Black Sea Channel. The most important project is the building of “terminal for barges” that will take place in two stages, this way: stage I – 2007-2008; stage II – 2009-2011.

Also, a special attention will be given to the river harbours whose infrastructure will be brought to the quality demands of the market. Through the investment programmes of the port authorities the infrastructure will be modernized, the facilities for container handling built as well as the passenger's terminal, in agreement with the specific maritime environment priorities. To increase the safety of transport, the implementing of the ships traffic control systems in Constanta port, on the Danube-Black Sea Channel and, partially, on the Romanian sector of Danube, will continue. The traffic conducting system will be completed in 2008. Also, intelligent systems to monitor the navigation parameters will be implemented.

5.3.2. Promoting Multifaceted Transportation

The multifaceted transportation is ensured by applying the activities of improving the railroad and road infrastructure and by creating logistics centres for railroad-road, railroad-river, railroad-sea, road-river, road-sea and road-air transport.

There will be taken into the account actions to create multifaceted platforms for goods at the international airports, as well as actions that will allow the Constanta port to become a linking point in the Black Sea area, within the logistic chain of the maritime multifaceted bases that will be created on the Corridor IV of the maritime way for South-Western Europe.

5.3.3. Market Liberalization

From this point of view, since the 1st of January 2007 Romania offers to the foreign railroad transport operators and to the international groups that hold a license in a Member State of the EU, in conformity with applicable law in the Community, free access, under equitable conditions, to the Romanian railroad infrastructure, in order to exploit any kind of service of railroad freight transport (2005). The railroad transport for

passengers will be freed after the third railroad package that is being discussed by the EU will be adopted. It is expected that the opening of the railroad market for passengers to take place within the EU in 2010, and Romania will align to the liberalization measures.

5.4. The Border Management Field

5.4.1. Migration and Asylum

The management of migration represents one of the major challenges that the EU must confront at its external borders.

The consequences of intensified international migration demand the issuing of policies that will concentrate over meeting the capacities of migration management both in the EU, as well as in the country of origin, through the management of the migration flows according to the labour market necessities, the fight against illegal migration, with the social integration of the migrants and the cooperation with the countries from which the majority of migrants are coming from.

The challenge represented by this problem is to realize a global management of the phenomenon and to find viable solutions within the setting of the international, European, regional and national policies, solutions that must not omit a fact of an overwhelming importance: people's freedom of movement right.

In 2007, the European Commission made public a Communication on Mobility Partnerships and Circular Migration. For the European Commission mobility is a key element of EU strategies for the management of migration, and circular migration is an innovative and flexible instrument meant to answer the work force needs in certain countries of destination, as well as those for development in certain countries of origins. Circular migration has the potential to solve a paradox of the migration process – in many countries confronted by demographic decline: the demand for migrant labour coexists with meagre public support for permanent migration. Moreover, circular migration may have the potential to facilitate development in countries of origin by increasing migrants' human and financial capital, facilitating international skill transfers, building cross-border trade and investment, and preventing the long-term separation of families.⁹⁴

The setting for circular migration initiatives will be provided by the partnerships of mobility. The first of this type, as pilot projects, the European Commission hopes to be implemented by its willing members and by third party countries selected towards the end of 2007. A possible financial source for the circular migration projects could be offered by the new subject program of cooperation with third party countries regarding the area of asylum and migration, adopted on 18th of December 2006, which stipulates that 380 million Euros will be allocated for 2007-2013.

Another essential component of the EU dialogue with third countries in the area of migration is the parallel negotiation of agreements on readmission and visa facilitation.

⁹⁴ Ali Mansoor, Bryce Quillin, eds., *Migration and Remittances: Eastern Europe and the Former Soviet Union*, The International Bank for Reconstruction and Development / The World Bank, Washington, DC, 2007, p. xiii.

The readmission agreements set out clear obligations regarding the timelines and procedures for the readmission of illegal immigrants in the countries of origin or transit. The obligation of readmission is stipulated for the citizens of the countries the EU has signed agreements with, as well as for the stateless and those that fall under the jurisdiction of other states that entered the EU illegally from those countries. The readmission agreements are considered a prerequisite for the visa facilitation agreements. The latter are meant to enable certain categories of people such as students, researchers (scientists), business people, journalists, civil servants and NGO representatives to obtain visas by means of a simplified regime for, and confer this way a “more human” side to the European Neighbourhood Policy (ENP). Ukraine and Republic of Moldova, as ENP partner countries, have already signed such agreements with EU. Moreover, in 2007, the EU Common Visa Application Centre in Chisinau has been inaugurated. Functioning on the premises of the Hungarian Embassy in the capital city of Republic of Moldova, at its activity participate, besides Hungary, Austria, Slovenia and Latvia. Denmark and Estonia have already announced their intention to join this project. Given the situation that only two Schengen Member States have consulates in Republic of Moldova, The Centre allows Moldovan citizens seeking visas for the participating countries to submit their applications and undergo the necessary interviews in Chisinau, instead of being obliged to submit their visa applications in the capital cities of neighbouring countries.⁹⁵

In its Conclusions from December 2006, the European Council has asked the European Commission to send proposals regarding the application of the *Global Approach to Migration*, a document adopted by the European Council a year before, but initially focused on Africa and the Mediterranean region, to the Eastern and South-Eastern Regions neighbouring the EU. Therefore, in June 2007, the European Commission has issued a Communication on *Applying the Global Approach to Migration to the Eastern and South-Eastern Regions Neighbouring the European Union*: Turkey and the Western Balkans; the countries ENP partner countries in Eastern Europe; the Southern Caucasus countries; and the Russian Federation. Premised on the “migratory route” concept, this Communication addresses both the countries of origin and transit: the Middle Eastern ENP partner countries, Iran and Iraq; the countries of Central Asia; and some Asian countries such as China, India, Pakistan, Afghanistan, Bangladesh, Sri Lanka, Philippines and Indonesia. Romania, as a country of the Eastern external border of the Union, country included in the transnational networks of organized crime and a transit country and, to a much lesser extent, a destination country for most Asian migrants and some African migrants it is called upon to bring its contribution to a better management of the EU borders, including by implementing the *Global Approach to Migration* to the ENP partner countries that Romania has as its direct neighbours – Ukraine and Republic of Moldova. And the more so since, on one hand, as a consequence of Romanian integration in the EU it is forecasted an increase of the migratory flows from the Afro-Asian areas and the ex-Soviet countries, especially Republic of Moldova, Georgia, Azerbaijan, Kazakhstan and, on the other hand, since Romania and Bulgaria became EU members,

⁹⁵ Although firstly favoured by the Vice President of European Commission Franco Frattini, the similar proposal to create a Joint Visa Centre, advanced to the JHA Council on the 14th and 15th of February 2007, was finally rejected by Brussels against the background of an opposition lobby carried on by Budapest and Chisinau authorities.

the two countries have been included in the East Mediterranean route, which has as key transit destinations countries Cyprus and Malta.

In Romania, illicit migration has two aspects: the illegal migration of Romanian citizens towards the Western Europe; and the transit of migratory flows of foreign citizens. Through GO no.5/2006 that modifies Law no.248/2005 regarding the free traffic of the Romanian citizens abroad, it has been set the foundation for implementing the CE Regulation no. 2252/2004 for issuing passport containing biometrical data. This way, the necessary legal setting for issuing passports containing biometrical data it is ensured, and it will contribute to the decrease of the illegal migration of the Romanian citizens.

The illegal migration of foreigners to or through Romania has continued to lessen, among the countries that generate migrants being especially countries such as Iraq, Bangladesh, China, Pakistan, India, Syria, Somalia and Turkey. Lower-income persons have used falsified documents in order to obtain travel documents or the authorization for stay in Romania as a transit or destination country. Others have crossed Romanian borders illegally, with the help of escorts or by hiding in transportation.

In order to save the effort of crossing several countries and to speed up a likely illegal entry in the Schengen area, the illegal immigrants have often demanded the status of refugees in Romania. However, the number of applicants for the refugee status has continually decreased from 544 in 2004 to 485 in 2005 and to 381 in 2006.

Taking into account the existing data, one could conclude that there are four major source regions and countries for irregular migration to or through Romania:

- **Middle East**, including states such as Iraq, Iran, Syria, Lebanon, Jordan, Palestine, Yemen, Kuwait, Israel, Egypt and Turkey;
- **Eastern Asia** respectively **China**, important source of illegal migration, to which Romania often represents a destination;
- **Far East (South Asia)**, that includes states such as India, Pakistan, Bangladesh, Nepal and Sri Lanka;
- **African Countries:** Somalia, Nigeria, Angola, Algeria, Burkina Faso, Ivory Coast, Burundi, Congo, Cameroon, Democratic Republic of Congo (Zair), Djibouti, Eritrea, Ethiopia, Guinea, Libya, Liberia, Morocco, Rwanda, Senegal, Sierra Leone, Sudan, Tunisia, Togo, Mauritania, Zimbabwe and Malawi

Besides the four major sources, the secondary sources of immigrants requesting asylum, include:

- **Ex-Soviet countries:** Republic of Moldova, Ukraine, Georgia, Armenia, Belarus, Kazakhstan, Uzbekistan and the Russian Federation;
- **South-East European countries:** Bosnia and Herzegovina, the former Yugoslavia (for the 2004 statistical data), Serbia, Macedonia, Albania, Bulgaria, Greece and Italy;
- **Central America** represented by Cuba;
- **South America**, represented by Bolivia, Colombia, Peru and Venezuela;

- **North America**, represented by USA.

The comparative analysis of statistical data from 2004 – 2006 on the countries of origin of asylum seekers in Romania reveals the following:

- Iraq is the number one country of origin in 2005 and 2006;
- China, which was the leading country of origin in 2004, was on the third place in 2005 and 2006;
- Somalia was on the second place in 2006, as compared with the fifth place in 2004 and the eighth place in 2005;
- Republic of Moldova occupied the eleventh place in 2004 and 2006 but was no longer in the top 11 countries in 2005;
- In 2006 the number of applicants from Iraq, Turkey, Pakistan, Syria and India, has dropped;
- India, Nigeria, Liberia and Bangladesh were among the top 11 countries of origin in 2004 and 2005, but in 2006, there were no asylum seeker from these countries.

Source Countries for Asylum Applicants, 2004-2006

SOURCE COUNTRIES FOR ASYLUM APPLICANTS	YEAR 2006	YEAR 2005	YEAR 2004
IRAQ	69 ↓	72 ↗	64
SOMALIA	50 ↗	26 ↓	40
CHINA	45 ↗	44 ↓	85
TURKEY	23 ↓	31 ↓	45
GEORGIA	19 ↗	16 ↗	14
PAKISTAN	17 ↓	32 ↗	28
IRAN	12 ↗	0	24
SYRIA	12 ↓	27 ↗	25
RUSSIA	10 ↗	0	0
PALESTINA	10 ↗	0	0
R. MOLDOVA	9 ↗	0	13
INDIA	0	27 ↓	65
NYGERIA	0	20 ↗	0
LIBERIA	0	16 ↗	0
BANGLADESH	0	50 ↗	25

Source: Ministry of Interior and Administrative Reform of Romania

Implementing the *National Strategy on Migration* as well as the new *EU Thematic Programme for the cooperation with third countries in the field of asylum and migration*, adopted at the end of 2006, ratifying all readmission agreements concluded (32), concluding new ones, as well as patrolling together with Bulgaria and in cooperation with FRONTEX, the Black Sea area in order to prevent illegal migration,⁹⁶ represent concrete steps by which Romania can contribute to the implementation of EU standards regarding migration and asylum in the Black Sea Region.

5.4.2. Combating Trafficking in Human Beings

In the last couple of years, Romania has taken important legislative and institutional steps on all three sides of the fight against human trafficking, namely prevention, combat and assistance for the victims of trafficking. The National Action Plan to Prevent Trafficking in Human Beings 2006-2007 has been already implemented and the National Anti-trafficking Strategy 2006-2010 has been drafted and started to be implemented. At the same time, have continued to take place the meetings of the Inter-ministerial Working Group for Coordination and Evaluation of the Activity of Prevention of Human Trafficking, an institutional body that coordinates and evaluates the activity of prevention and combating human trafficking.

A very important institutional move was the setting up, in December 2005, of the National Agency against Trafficking in Persons, as a specialized body of the central public administration under the coordination of the Ministry of Administration and Interior through the re-organization of the National Office for Preventing Trafficking in Persons and Monitoring the Protection provided to its Victims within the General Inspectorate of the Romanian Police. The purpose of the Agency is to coordinate, evaluate and monitor, at the national level, the implementation of policies in the field of trafficking in persons by the public institutions, as well as those in the field of protection and assistance provided to its victims. The Agency cooperates with governmental and non-governmental organizations within the country and abroad, as well as with inter-governmental organizations with the view of raising the public awareness on the phenomenon and its consequences.

5.4.3. Modernizing the Border Infrastructure

In March 2005, Romania has issued and sent to the European Commission a first draft of the *Multi-annual Investment Plan*, regarding infrastructure and equipments for the surveillance and control of the border. The revised Single Plan of Multi-annual Investment has been approved by GIRMIFS in the meeting of the 27th of January 2006 and sent to the European Commission via the Romanian Mission in Brussels on 9th February of 2006.

At the end of January 2006 has been agreed and signed by the two parties, the *Programme to Achieve and Implement the Integrated System of Border Surveillance*. This document sets the calendar for implementing the entire contract and of its current phase. Also, on the 27th of January 2006 has been finalized the *Strategy of the Border*

⁹⁶ Romania's initiative on the European network of Black Sea patrolling was launched on the occasion of the JHA Council in May 2007.

Police regarding the surveillance and control of the maritime border for the period 2006-2009.

Also, a cooperation protocol has been signed regarding the introduction at the border crossing points in Otopeni, Baneasa and Constanta Port, of the visa system on-line and granting visas of the self-sticking type. Starting the 21st of February 2006, at border crossing points are applied only self-sticking type of visas.

At the same time, the Ministry of Interior and Administrative Reform has designated a working group to organize the activities of implementing the second stage of the Schengen Information System (SIS II) in Romania. A project manager has on a permanent basis as its only task, the implementing of the SIS II project. This person coordinates the process of issuing an inventory of the activities and the schedule for implementing them, and plans from a financial point of view the required activities.

It has also been issued the *Concept of surveillance of the naval traffic and monitoring of the suspicious ships on the Danube-Black Sea area*. The concept is being implemented, in the first stage, between the harbours: Galati – Tulcea – Sulina – Constanta – Constanta South – Mangalia – Midia – Cernavoda – Calarasi – Braila.

It has been also finalized the *Strategy of the Romanian border police regarding the surveillance and control of the maritime border*.

Regarding the *Integrated System for Control and Surveillance at the Black Sea*, the process of implementing it is within the forecasted schedule. The procedure of acquisition through the form PHARE 2003 for phase I of the SCOMAR (*Complex System of Surveillance, Observation and Control of the Black Sea Traffic*) project regarding the set-up of the voice - data communication infrastructure along the Black Sea coast, has taken place. The evaluation report, as well as the contract for this project has been approved in 2006 by the European Commission's Delegation in Bucharest. At the same time, has been issued a plan of tasks and terms of reference to contract the second phase of implementing the SCOMAR project – Technical Assistance – through PHARE 2004.

5.4.4. International Cooperation

On the 11th of January 2006, the Common Plan of Action between the relevant border police authorities in Giurgiu (Romania) and Ruse (Bulgaria) has been signed, for an efficient joint border surveillance on the Danube.

Also, on the 2nd of February 2006, in Kyiv, has been signed the project of an Agreement between the Romanian Government and the Government of Ukraine regarding the crossing of the border through designated points, followed, on the 7th of February 2006, by the signing of the Protocol between the relevant Romanian and Ukrainian border police authorities on setting up a working point of contact at Porubnoe.

5.5. Frozen Conflicts Management

The Black Sea Region is one of the richest in conflicts and the only one that harbours “frozen” ones on the European continent. The separatist movements in the east of

Republic of Moldova (Transnistria), west and north of Georgia (Abkhazia, South Osetia), west of Azerbaijan (Nagorno-Karabakh), south of the Russian Federation (Chechnya and other republics or autonomous regions from the North Caucasus), as well as the tensions generated by conflicts over territories and/or borders, represent great threats for the sovereignty and the territorial integrity of the states in which these conflicts exist, and for the security of the region as a whole.

EU, USA and Russia are sharing responsibility for the fate of this region. Any unilateral attempt of these great geopolitical actors to solve these unsolved conflicts in the region has all the chances to fail. Therefore, the biggest challenge is to design a common model of development in the post-Soviet space. All three parties should cooperate to put to an end the existence of the internationally unacknowledged quasi-states such as those brought together in the unofficial organization **TAKO** (Transnistria, Abkhazia, Nagorno-Karabakh and South Ossetia), that became the pillar of organized crime in the region.

Romania has repeatedly referred to the need for a more active involvement of the international community in the “frozen” conflicts resolution, and wants to use its triple status as a NATO and EU Member State and a host country for American military troops to keep this issue on the foreign policy and security agenda of the main actors of international politics. Also, it will continue to monitor the evolution of the conflict in Transnistria – the closest to the Romanian borders – and to actively contribute to the process of finding viable solutions based on the democratization, decriminalization and demilitarization of the region, and the withdrawal of troops and armament illegally stationed in the east of Republic of Moldova and to support the decisive involvement of the EU and USA, as full fledged members, in the mechanism of mediation of the conflict.

An important role in solving the “frozen” conflicts through ENP and ESDP has EU. For Transnistria, its full materialization should have the character of an emergency, Transnistria being the closest “frozen” conflict to the EU borders.

It is known that the most vulnerable segment of the border between Republic of Moldova and Ukraine is the Transnistrian sector. The EU Border Assistance Mission to Moldova and Ukraine (EUBAM) has registered a series of successes during its first mandate (2005-2007), as statistics on the reduction of illegal migration, drugs smuggling, trafficking of stolen foreign cars, and chicken meat smuggling showed positive dynamics. Additionally, the implementation of modern container checking techniques proved effective for finding illegal guns and unmarked cigarettes. Above all these, the mission has marked the first EU involvement on the security segment of ENP in the Black Sea Region. This circumstance has offered Brussels a better knowledge of the situation in the field and a more efficient orientation of the processes of reforming the custom systems and the border management in Republic of Moldova and Ukraine, greatly improving, at the same time, the communication and the trust between the border authorities of the two neighbouring countries. In March 2007, the length of the mandate of the EUBAM mission has been extended for another two years (2008- 2009). In the opinion of the EU representative for the Republic of Moldova, this extension could contribute to the solving of the Transnistrian conflict and resume the negotiations in the format “5+2”. The chief of EUBAM mission, general Ferenc Banfi, declared that in this second stage of the mission the project BOOMMOLUK will be implemented, therefore the 50 custom officers from Moldova and Ukraine will benefit from training and professional visits to the EU

countries in order to implement the European practices of border crossing, and at the points of border crossing will be installed high-tech systems.

In this context, Romania, as an EU border state, should manifest its availability to participate to this new, decisive stage of the EUBAM mission, thus bringing its contribution to the implementation of the EU security strategy in the region.

At present, the possibility of upgrading the ENP to “ENP plus” is being discussed upon, and this will bring, among other things, to the countries that are ENP partners, the possibility to associate themselves to the statements of the ministers of foreign affairs of the EU countries and to participate to crises management operations. This way, between ENP and ESDP will be an even closer relation of interdependence. Against this background, correlated with a gradual forging of a European dimension of the Black Sea, the EU could consolidate its presence in the region, leading a *civilian police mission in Transnistria*, which would be *the first ESDP mission in the ex-Soviet space*. Taking into consideration the precedent of the EU experience in Bosnia and Herzegovina, in this mission could participate not only EU members – among them Romania as a border state – but also states that are not members of the Union, but have interests in the area, such as Russia and Ukraine. The fact that at present it is unlikely that the EU will assume the responsibility of leading such a mission should not rule out the possibility of putting it in place in future, in a changed geopolitical context.

Last but not least, Romania and Poland, as EU frontier countries at the Black Sea and, respectively, the Baltic Sea, that are interested to have stable, democratic and prosperous neighbouring countries, could forge a special partnership for experience and know-how transfer in the areas of security sector reform and institutional democratization towards Moldova and, respectively, Ukraine, as ENP partners and neighbour countries.

5.6. Civil Society Cooperation

In developing cross border cooperation, it is absolutely necessary to find the ways for an integrated approach, taking into account the non-governmental sector to solve regional issues. One of the objectives of the ENPI-CBC Black Sea 2007-2013 programme is the support for the civil society local cooperation. Local, people-to-people cooperation means more contacts between cities and municipalities, universities, cultural associations and other non-governmental organisations.

Under the aegis of the **Black Sea Forum for Dialogue and Partnership (BSF)**, mentioned in the EU Communication *Black Sea Synergy* as an innovative platform for new civic and environmental cooperation projects, Romanian Ministry of Foreign Affairs has initiated some follow-up actions:

- ✓ The international conference „Synergies between Black Sea and Northern Europe Cooperation”, Bucharest, 27th of April 2007;
- ✓ The international workshop „How can the Black Sea Region contribute to improved global security?”, Bucharest, 7th and 8th of June, 2007, organised by MFA, Norwegian Ministry of Foreign Affairs and EURISC Foundation.

- ✓ The one-year project „Civil Emergency Planning: Building National and Regional Capability in the Black Sea region”, launched in Neptun, 1st to 3rd of July 2007, organised by MFA and MIRA and managed by the specialised institutions from the countries of the region.
- ✓ The international workshop „Civil Society Contribution to Black Sea Regional Security: Matching Words and Deeds”, Bucharest, 10th and 11th of July 2007, organised by MFA and the Crisis Management Initiative – Brussels.⁹⁷

Romania will continue to support the Forum as a dialogue and cross-cutting format, complementary to the existing structures, bringing together an extended range of actors: states, international organisations, NGOs, private sector etc.

⁹⁷ See Annex 2.

Conclusions and Recommendations

Conclusions

A SWOT analysis shows us with quite enough precision which is the territorial cooperation context within the Black Sea Region, having as guidelines the European policy and initiatives in the area.

The strong points are:

- The geo-strategic position of the Black Sea as new south-eastern EU border;
- Its attribute of giant market for the EU exports;
- The low costs for the labour force, the abilities and competences very well-developed of the human resources compared with the foreign competitors tightly connected with EU;
- The potential of a substantial flow of Foreign Direct Investments;
- Its role as a connection link in the transport of Eurasian energy resources towards the EU consumers along the emerging geopolitical and geo-economic axis Mediterranean Sea – Black Sea – Caspian Sea;
- The high potential of biodiversity in agricultural resources, tourism, and fisheries;
- Its characteristic of a buffer zone where the Orthodox, Islamic and Western civilizations and cultures blend together;
- The valuable cultural heritage, the diverse human capacities and social values.

The weaknesses consist of:

- The closed sea characteristic of the Black Sea, which reverberates in a negative way upon the environment against the background of the pollution generated by economic agents located within the Black Sea Basin;
- The constraints for the economic development due to the physical and climate conditions especially in the southern areas and the environment degradation;
- Intra and interregional disparities in economic development;
- The constraints of the different statuses of the Black Sea Region countries vis-à-vis EU;
 - The demographical decline due to the negative birth increase and the migration of the labour force;
 - The poor quality of the industrial and transport infrastructures;

- The low quality of the administrative capacity for the implementation of local development policies;
- The precarious character of the education infrastructures;
- The obsolete technological level of the innovation centres;
- The security problems generated by corruption, organized crime, illicit traffic, terrorism and frozen conflicts.

The opportunities for development and cooperation consist of:

- The substantial increase of GDP after 2000, with multiple effects in the neighbouring regions;
- The fact that large surfaces within the coastal areas of the EU Member States will get access to the Cohesion Policy funds;
- The improvement of the political and economic stability, which will attract the increase of Foreign Direct Investments;
- The increase of the demand for tourist services, expanded potentially to all coastline regions;
- Big investments planned for the pan-European transport axis, oil and gas pipelines;
- The introduction of new software technologies as well as of the vocational and all-life education, for adapting to the requirements of Bologna process;
- Diversified relationships between riparian countries, promoted through international partnership initiatives.

The cooperation could be undermined by:

- The increase of the macro-economical instability, due to a multifaceted set of economic and political factors;
- The excessive migration of high-skilled labour force towards EU countries;
- Harsh competition of the newly industrialized countries within the field of industrial development and attracting Foreign Direct Investments;
- The acceleration of the environment degradation;
- The increase of the gap between the EU Member States and its eastern neighbours in fields such as trade, single market, labour force mobility and the development of the knowledge- based society;
- The increase of the threats generated by corruption, local conflicts, organized crime and terrorism;
- Delays recorded in solving the frozen conflicts;
- Using the Black Sea Region as a platform for military, reconstruction and stabilization operations in the Greater Middle East area.

Recommendations

Recommendations with a general character

Romania should be more resolutely involved in promoting the European Union dialogue with its neighbours and in developing the TRACECA and INOGATE programmes and the BAKU Initiative.

As an EU Member State, Romania could use the EU instruments, especially Free Trade Agreements, Autonomous Commercial Preferences and other stimuli, for bringing economic benefits to non-Member States in the area.

Recommendations regarding experience transfer

Regarding the mandatory assistance which Romania and Bulgaria as EU Member States have to provide from the national budget for technical assistance (0.11 %-Bulgaria and 0.58 %-Romania), the two new EU Member States can transfer their expertise in the field of European affairs towards third riparian states within the Black Sea Region, using the entire EU range of instruments, including twinning.

Romania may also promote technical assistance transfer in the multifaceted transport field, with a view of designing together specific facilities.

Romania and Poland, as EU border Member States at the Black Sea and respectively the Baltic Sea, might set the foundation of a special partnership in a 2+2 format for experience transfer in the security sector reform and institutional democratization fields towards the ENP countries from the neighbourhood next to them, Moldova and Ukraine.

Recommendations regarding the maritime transport

In the context of developing the security of the multifaceted transport would be very useful if Romania would initiate round tables and meetings with the EU support for reducing the traffic congestion and improving the transparency in the maritime transport system. At the same time, at a national level, Romania should have in mind that any proposed project has to address the policy of traffic decongestion and assuring its safety.

As regarding the transparency and securing the intervention means in case of a necessity, Romania may propose a system of proportional tax on water transport and through pipes, calculated regarding the amount and the pollution risk, rather alike with the one for the European Scheme for Emission Commercialization.

Even if the EU documents do not envisage the transformation of European Maritime Safety Agency into an operational EU coast guard, the national coast guards, including the Romanian one, will have to share technical and operational instruments and material resources for cooperating on security issues. Romania could propose the introduction of a

legislative measure regarding the Black Sea, as mentioned above, in the measures' package within the ERICA I and II projects.

Recommendations regarding teaching and education

Romania might propose the acceptance of transferable credits system, the joint recognition of studies, as well as common curricula in the higher education institutions within the Black Sea Region.

Also, Romania may offer scholarships in the fields of education and assistance for development to third states within the Black Sea Region. There should be an opportunity for volunteers from the Black Sea Region countries, chosen by nongovernmental organizations, to be trained in Romania in order to cope with accidents such as oil leaks in the sea or other civil-military emergencies, such as earthquakes, floods and extreme weather phenomena.

Recommendations regarding tourism

Romania should increase the investments in the tourism infrastructure, especially in the yachting, diving and historical and archaeological sites fields, whose attraction have decreased a lot due precisely to the lack of investments.

Romania can propose a map to be drawn up in the riparian countries and the ones that have regional trade exchanges in the field of fisheries on the feasibility of maritime culture farms. Moreover, the sanitary-veterinary control that will accompany the activity of those farms should be determined in a protocol.

Recommendations regarding the frozen conflicts management

EU should analyze the opportunity for launching a civilian police mission in Transnistria, which would be the first ESDP mission in the ex-Soviet area. Taking into consideration the precedent of the EU experience in Bosnia and Herzegovina, in this mission could participate not only EU members – among them Romania as a border state – but also states that are not members of the Union, but have interests in the area, such as Russia and Ukraine. The fact that at present it is unlikely that the EU will assume the responsibility of leading such a mission should not rule out the possibility of putting it in place in future, in a changed geopolitical context.

Romania can use its triple status as a NATO and EU Member State and a host country for American military troops for keeping the problem of Transnistria on the foreign policy and security agenda of the main actors of international politics and to support the decisive involvement of EU and USA, as full fledged members in the mechanism of mediation of the conflict.

Recommendations regarding migration

At the level of dissemination of good practices, experience could be drawn from the Söderköping and Budapest processes as well as the Migration Asylum Refugee Regional Initiative (MARRI).

The EU Member States and the third countries within the Black Sea Region are equally interested in launching programmes of circular migration and concluding mobility partnerships. A pilot mobility partnership could be implemented in the Republic of Moldova.

The citizens of the European Neighbourhood Policy (ENP) partner countries in the Black Sea Region must be better informed about the advantages and opportunities of the circular and seasonal migration, the conditions and skills requested by the legal recruitment of the labour force in the destination countries as well as the risks attached with illegal migration.

Building on the lessons learned throughout the pilot projects on the control of immigration and the management of common border between Ukraine and Moldova and the EUBAM mission, the IOM and the EU, in partnership with the UN and OSCE should devise a common multilateral program of combating irregular migration and organized crime in Ukraine-Moldova-Romania region. In implementing such a comprehensive programme, it would be helpful to involve local, national and international NGOs, as well as national think tanks and experts.

EU must intensify the programmes for institutional twinning between the relevant countries EU Member States, on one hand, and Moldova and Ukraine, on the other hand, in the fields of legal labour migration, preventing and fighting illegal migration and social reintegration of the returned immigrants.

Romania and Bulgaria can establish, together with FRONTEX, joint patrolling actions within the Black Sea Basin.

Recommendations regarding combating transborder organized crime

Brussels might explore the feasibility of setting up a regional cooperation platform, which will bring together relevant EU Member States, EU agencies, other countries bordering the Black Sea, and regional organizations such as SECI, BSECO, SECI Center in Bucharest, the Black Sea Border Coordination and Information Centre in Burgas and the Virtual Centre GUAM. The EU contributions at this regional platform might include training activities carried out through twinning and good practices dissemination of EUROPOL and FRONTEX.

ENP partner countries within the Black Sea Region must conclude and implement cooperation agreements with EUROPOL and FRONTEX.

The interaction between Romania, Moldova, and Ukraine on combating organized crime should be coordinated within the BSECO framework, taking as a basis the supplementary protocol to the cooperation agreement in the field signed by the ministries of interior of the BSECO member states.

Recommendations regarding border management

Romania must carry out the implementation of the requirements imposed by the Schengen acquis and its eastern EU border status. Besides improving the integrated management system of its borders, Romania can express its availability for taking part in the second stage (2008-2009) of the EUBAM mission, thus bringing its contribution in the implementation of the EU security strategy in this area.

The quality of the EUBAM random checks at the border as well as the efficiency of the Ukraine-Republic of Moldova border guards should be improved. Training and expertise for those involved in the border control - border guards, police, customs, and those managing sanitarian and veterinarian checks - should be more extensive and targeted. Ukraine and Moldova are requested to adjust their border control regulations to the EU standards for controlling movement of persons and goods and to introduce the integrated border control system.

Ukraine, Moldova and Romania can actively promote confidence-building measures by setting up common border checkpoints.

Recommendations regarding visa policy

The activity of the Common Visa Application Centre in Chisinau should be expanded in close cooperation between the EU Member States, the European Commission, and Moldovan authorities by strengthening the Consular representation of the EU Member States in the Republic of Moldova.

Moldova and Ukraine must draw up methodological regulations for implementing the visa facilitation and readmission agreements concluded with EU. Moreover, the two ENP partner countries must create common databases listing all visas issued to citizens from the countries that are potential providers of irregular immigrants, registering the travel of stateless persons to and through Ukraine and Moldova, and recording border crossing by all citizens who do not require a visa to enter Moldova and Ukraine (especially from the CIS area).

It is necessary to put together a comprehensive package of measures which will increase the capacity of the Romanian Embassy in Chisinau for processing the visa requests.

Romania might revise the visa regime imposed to the citizens of the Republic of Moldova by the bilateral agreement concluded in Bucharest on the 20th of October 2006. The travel condition in Romania for Moldovan citizens might become more flexible than it is now, by granting multiple-entry one year visas for specialists and children, besides railway workers and bus drivers on frequent runs, three years visas for individuals who travel under bilateral cultural, scientific, religious, and sports exchange programmes, five years visas for frequent travellers, including students, besides business persons who own enterprises in Romania, and special arrangements for those living in the border regions of the two countries.

In order to hamper the regaining of the Romanian citizenship solely for travelling visa-free to the EU Member States, the Department for Citizenship in the Romanian Ministry of Justice should exchange information, consult permanently, and, when the need arises, work in tandem with the relevant foreign embassies in Chisinau and Bucharest for supplemental screening of those applicants for the Romanian citizenship who were previously denied visas to the EU. This initiative will be facilitated by the fact that some EU target countries, such as Italy, which is the third most popular destination for Moldovan migrants, have embassies in Bucharest, but not in Chisinau.

Recommendations regarding the civil society cooperation

EU initiatives within the field of civil society in the Black Sea Region should pay a special attention to the role of parliaments within the region, local authorities especially mayors and Euroregions, and to stimulate the cooperation at the youth level, crucial for the development of good governance in the region. As there will be more and more initiatives which involve youth leaders from the region, using the European Centre of Youth and the one in Budapest, the sooner will be recorded mutations in this area.

Romania should continue to give a lot of attention to the dialogue carried out under the Black Sea Forum for Dialogue and Partnership and to promote the capacity of the civil society and economic agents for drawing up the White Charter and the Blue Charter of the Black Sea Environment.

Recommendations regarding the setting up of new institutional structures

Romania should carry out the proposal of founding a Regional Centre for Studying the Adaptations to the Climate Changes, as a Research Base with Multiple Users, financed by the Ministry of Education and Research, who will use multinational personnel with high qualification, following the model of International Atomic Energy Agency.

Romania should analyze the possibility of founding an Institute on Regional Geopolitics in Bucharest, under the aegis of Romanian Academy and the Romanian Parliament, as an element of stirring the academic support for the new pro-active foreign policy of Romania in the Black Sea Region and a lobbying factor for promoting the European strategy in the region.

Annex 1

Some Indicators regarding the Impact of Eutrophication on the Black Sea from 1960 to 1990s

- Water transparency (in meters) diminished by 50 %;
- Hippo toxic area (km²) during summer and autumn raised of 1000 times;
- Area of *Phyllophora* field (a key species) reaches 500 km², that is 200 times lesser than before;
- The total biomass of *Phyllophora*, which represented the attraction for more than 100 species of invertebrates and fishes, diminished from 10,000,000 tones to 400.000 tones;
- Species of phytoplankton belonging to *Dynophlagellata* grew as cells/liter of 15.000 times due to the high level of nitrates, so doubling the ratio *Dynophlagelates* / *Diatoms* and damaging the phytoplankton structure;
- The perennial alga (*Cystoseira barbata*), nucleus of a biocoenosis of about 50 invertebrate and fish species was completely destroyed;
- Total biomass of mussels (*Mytilus galloprovincialis*) lost one third of its original quantity;
- Total biomass of oysters (*Ostrea edulis*) lost 98.6% of its original quantity;
- The fish species number with commercial value have been reduced to 1/5 part, following the invasive species *Mnemiopsis leyderi*.

No data on total nutrient concentrations were available for analysis. Nitrogen-nutrient data were provided as separate nitrate, nitrite and ammonium data, and analyzed as individual parameters, not as dissolved inorganic nitrogen. Overall, nutrient concentrations in waters of the North-Western Shelf show relatively small differences, perhaps with slightly higher concentrations in the waters off the Bulgarian coast. While there is evidence of some nutrient concentrations in the Danube River undergoing a major decrease during the 1990s, these decreases are most apparent for ammonium, with a much smaller (but still statistically significant) improvement for nitrate concentrations at one site over the same period (1996-2000). No phosphorus data were available for the Danube.

Nevertheless, it is clear that the reduction in inorganic nitrogen concentrations in the Danube is not reflected in waters of the Black Sea North-Western Shelf. In fact, between 1990 and 2003 the overall picture that emerges is of increasing nitrate concentrations in North Western Shelf waters of Bulgaria, Romania and Ukraine.

Not surprisingly, seasonality occurs in nutrient concentrations, most noticeably for ammonium and nitrate. However, the available Black Sea data did not provide adequate coverage of the colder months of the year, whereas the data available for the Danube River represented all seasons evenly.

A preliminary nutrient balance for the mid-1990s has been prepared for the 50,000 km² area of the North-Western Shelf, focusing on inputs from the Danube, Dniester and Dnieper rivers, together with estimates of atmospheric inputs and nutrient recycling within the system itself. Benthic nutrient recycling is a significant internal nutrient source for the pelagic system, sustaining high productivity by the release of phosphorus and nitrogen from the sediment (in the same range as river inputs). The shelf sediments release about twice as much silicon as the load discharged by the Danube.

However, the shelf acts also as a sink for nutrients. Perhaps surprisingly, modelled atmospheric nitrogen deposition appears to be of relatively minor importance, amounting to only 4-8% of the river inputs. The importance of nutrient cycling in deeper waters and the contribution of this to the overall nutrient budget has still to be determined. It is clear from this budget just how much greater and more important the Danube is than either the Dniester or the Dnieper as a nutrient source for the North-Western Shelf.

Elevated chlorophyll levels in the Sea of Azov have been explained in terms of the shallow nature of the water. While the reasons underlying this explanation remain unclear, they could also explain (partly at least) the elevated levels in transitional waters of the Danube. Possible reasons for these elevated levels are:

- Carry-over of freshwater phytoplankton into the Black Sea.
- Greater mixing of waters, resulting in increased re suspension of benthic material (including detrital chlorophyll-like substances).
- Possible increases in phytoplankton growth rates (primary productivity) due to increased nutrient concentrations. However, phytoplankton growth is not limited at nutrient concentrations greater than 10 µg/l PO₄-P in the presence of 100 µg/l dissolved inorganic nitrogen. It is paradoxical that above these levels of nutrient concentration, although the rate of growth of phytoplankton does not increase substantially, the standing crop of phytoplankton (and therefore chlorophyll-a) can increase dramatically.
- The shallower the water, the more light that is available to drive planktonic photosynthesis. Thus, the greater the primary productivity in shallow waters and the greater chance of increased chlorophyll levels occurring.

Two indicator species have been selected for use in the Black Sea: *Cystoseira barbata* (a brown seaweed) and *Zostera marina* (a macrophytic sea grass). No data were available on the distribution of these species within the Black Sea, but their presence/absence will be mandatory BSIMAP mandatory parameters for monitoring during 2006-2011. Macro algae and angiosperms are included as a quality element for the monitoring and assessment of the ecological status of coastal waters under the Water Framework Directive. At present very few EU countries have classification schemes based on these elements compatible with the WFD

No data were available on zooplankton biomass, percentage of key groups or No of *Noctiluca*. Because of sampling and analytical methodology differences, historical data

from Bulgaria, Romania and Ukraine have not been comparable. However, at a workshop in Odessa (15-19 August 2005) a first Black Sea Regional zooplankton inter-calibration exercise was undertaken to facilitate comparison of historical data, and agreement was reached over the use of standardized sampling/processing equipment.

Annex 2

Enhancing the role of civil society in building Black Sea regional security

Conclusions of the International Workshop „Civil Society Contribution to Black Sea Regional Security: Matching Words and Deeds”, Bucharest, 11th of July 2007

There is not *one* civil society identity in the Black Sea Region, nor can they be simply be equated with NGOs. Civil society in each one of the countries in the Black Sea Region responds to the challenges on the ground and reflects the societal state of an individual country. A strong, independent civil society in the Black Sea Region has yet to be developed.

If the overall aim is to build regional security, conflict resolution in the region must be tackled with priority. Obviously, there is not one formula for conflict resolution. The development of a peaceful region is the ultimate priority for civil society and it should be the same for donors.

In order to build more societal security, donors and governments need to listen effectively to the voices on the ground. Building a bottom up dialogue and communication process with civil society on the ground is one way of dealing with this.

Regional integration and cooperation of civil society is integral to building regional security. Capacity building of civil society, facilitating leadership development, forging partnerships with all strata of society, promoting of public private partnerships are some elements of how greater security and a common identities could be forged. Regional networks and solidarity will allow for a sharing of perspectives on issues regarding democratic development and societal security are instrumental support networks.

Civil society in the field will benefit of creative, flexible funding mechanisms to support their work in building democracy, rule of law and dialogue processes. This is especially pertinent in regards to EU funding. Mechanisms for funding could be outsourced, and/or managed by foundations that have the capacity to respond to challenges in real time, in an accountable yet non-bureaucratic manner. That being said, there is no “quick fix” for sustaining the civil society sector and or building regional security in the Black Sea Region. The engagement and support for civil society should be done within a long term vision

The implementation of Action Plans is often executed with a view of increasing regional linkages and interdependencies. Black Sea civil society could benefit from a transfer of experiences of funding in particular in regards to the experiences in the Balkans and CEE. At the same time, it might be useful if civil society /NGOs will have greater access/membership to policy mechanisms/existing platforms in Brussels.

Civil society can play a constructive role in the monitoring of ENP Action Plans. Dialogue with civil society should be more than a lip service but should be a genuine source of policy outreach. Additional structured support both from the political and funding community in organizing civil society input into policy is to be welcomed. At the same time a structured, regular interaction with relevant civil society would be beneficial

for effective communication and outreach. The setting up of expert councils discussing issues relevant to ENP as well as conflict resolution in Georgia, Armenia, Azerbaijan and Moldova is an effective model that could be replicated on the regional level.

It is recognized that there is additional need for exchange of information, both between civil society by itself, and between governments the EU and civil society. The search for effective mechanisms still has to be found in this regards. A Black Sea civil society Forum website and other forms of information exchange could be a useful tool to this regards.

The organization of follow up focused and result oriented meetings of civil society organizations /NGOs /experts to exchange information with governmental actors would strengthen regional networks (like Black Sea NGOs Network – BSNN) and could allow for the joint elaboration of self sustainable regional mechanisms. More human and financial investment is needed to increase the impact of existing regional initiatives and to support result-oriented networks and partnerships.

It is recognized that a Black Sea dimension is clearly emerging. The role of civil society is elementary and provides a backbone to any regional Black Sea construction.

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