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The EU's Ambivalent Relationship with the BSEC: Reflecting on the Past, Mapping out the Future

**Tedo Japaridze, Panagiota Manoli,
Dimitrios Triantaphyllou, and
Yannis Tsantoulis**



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Abstract

The relationship between the Organization of the Black Sea Economic Cooperation (BSEC) and the European Union (EU) has been characterised by many as limited and rather ambivalent. Since 2008, with the launching of the Black Sea Synergy (BSS), it seems to have gained a new momentum. However, many issues remain open as the almost parallel initiation of the Eastern Partnership (EaP) that overlooks and bypasses the BSEC's (potential) role, appears to have posed somehow a significant challenge to the existing regional equations, thus questioning the future development of the interaction between the BSEC and the EU. Overall, although the emergence of both the BSS and the EAP is a positive development in many regards there are still some open issues and a clear scepticism in regard to both initiatives. To assess this rather complicated situation and to clarify some of the pending issues, this paper undertakes a "reality check" by analysing the key features of both the BSS and the EaP while reflecting on the probability of a future upgraded relationship between the BSEC and the EU especially with the implementation of the Lisbon Treaty. In this regard, the purpose of this paper is to reflect on the relatively recent past of this relationship, assess the current situation and table some proposals for the evolution of the relationship, thus considering the impact of these two policy approaches (BSS and EaP) and the BSEC's potential role for the region as a whole and beyond it.

Keywords

Organization of the Black Sea Economic Cooperation (BSEC), Black Sea Synergy, European Neighbourhood Policy (ENP), Eastern Partnership, Sectoral Partnership, Russia.

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The EU's Ambivalent Relationship with the BSEC: Reflecting on the Past, Mapping out the Future

Tedo Japaridze, Panagiota Manoli, Dimitrios Triantaphyllou,
and Yannis Tsantoulis*

This Policy Brief is intended to provide food for thought in our discussion regarding the current state of BSEC–EU Interaction and the Way Forward. The authors feel that it is timely to assess the evolving state of play and to generate ideas, policies, and initiatives on how to move beyond the current impasse. The emphasis is on posing key questions in order to facilitate debate.

*** T. Japaridze is Alternate Director General, P. Manoli is Senior Research Fellow, D. Triantaphyllou is Director General, and Y. Tsantoulis is Research Fellow at the ICBSS. The views expressed in this Policy Brief are personal and do not necessarily reflect the policies or views of the ICBSS.**

A question that has been troubling us while drafting the paper has been the need to return to basics and rethink the necessity and prospects of the interaction between the EU and the BSEC. What is its raison d'être? In the long process of changing relations between and among states in the post-Cold War era, the adherence to regional cooperation per se by the BSEC member states to work together on issues of mutual interest has, at times, such as the current period, been questioned by many. As such, the perceived lack of common interest in further promoting cooperation has created problems for the Organisation and its relationship with international partners at a time when the interest of the Union, in particular, toward the wider Black Sea area is bound to grow due to geographic and political proximity and strategic agendas and the potential for tangible synergies in specific thematic areas of mutual interest. Thus, a fundamental tenet of our problematique has been the need for a comprehensive debate about the BSEC's viability, necessity and future as it attempts to review and build its relationship with the EU. The Policy Brief thereby clearly reflects the need for soul searching within the BSEC simultaneously with an evaluation of its interaction with the EU.

Background

The relationship between the Organization of the Black Sea Economic Cooperation (BSEC) and the European Union (EU), primarily the European Commission¹ (EC), has been characterised by many as limited and rather ambivalent. Indeed, the current state of the BSEC–EU relationship is not based on a formal agreement. In fact, as it will be further elaborated, it is primarily defined by the observer status of the EC in the BSEC and by the BSEC’s status as a regional partner of the Union in the context of the Black Sea Synergy (BSS).

Nevertheless, it should be noted that the BSEC–EU relationship is a relationship that already dates back several years, has been reflected in various policy documents and exists/functions both in terms of high level political dialogue and at working level (primarily project-based).² Since 2008, with the launching of the BSS, it seems to have gained a new momentum.³ However, many issues remain open as the almost parallel initiation of the Eastern Partnership (EaP), that overlooks the BSEC’s (potential) role, seems to have posed somehow a significant challenge to the existing regional equations, thus questioning the future development of the interaction between the BSEC and the EU.⁴

Indeed, following the launching of the two policy initiatives (BSS and EaP) a number of key questions has emerged such as the division of labour among the EC, the states involved, and the BSEC’s institutions; the availability and allocation of requisite funding; the leadership issue both in the EU and the BSEC; the required resources and capacity; and the BSEC’s role in the region. Overall, although the emergence of both the BSS and the EaP is a positive development in many regards for the entire wider Black Sea area and the BSEC in particular – as a natural and potential

¹ The European Commission has acquired a permanent observer status with BSEC as of June 2007. The observer status allows the European Commission representatives to take part in the Subordinate Bodies of the Organisation at a Working or Ministerial level and has thus provided for a regular communication between the two sides at expert level.

² The participation of representatives of the EU Presidency and the Commission at the special meeting of the Council of Ministers of Foreign Affairs of the BSEC that was held in Kyiv on 14 February 2008 prior to the launching of the Black Sea Synergy launching is indicative of the various levels of interaction.

³ Commission of the European Communities, *Black Sea Synergy – A new regional cooperation initiative*, COM (2007) 160 final, Brussels, 11 April 2007.

⁴ Commission of the European Communities, *Eastern Partnership*, COM(2008) 823 final, Brussels, 3 December 2008.

partner of both initiatives –, the local regional experts and pundits express for different reasons their clear scepticism with regard to both aforementioned EU policies. To assess this rather complicated situation and to clarify some of the pending issues, this paper undertakes a “reality check” by analysing the key features of both the BSS and the EaP, while reflecting on the probability of a future upgraded relationship between the BSEC and the EU with the implementation of the Lisbon Treaty. In this regard, the purpose of this paper is to reflect on the recent past of this relationship, assess the current situation and table some proposals for the evolution of the relationship, thus considering the impact of these two policy approaches (BSS and EaP) and the BSEC’s potential role for the region as a whole.

To this end, in terms of structure, the paper is essentially divided into four parts.

- i) The first part is basically a historical account of BSEC–EU Interaction. The idea is to illustrate the rationale, the dynamics and the evolution of this relationship. It is divided into two sections. The first sub-section (micro-approach) assesses the institutional developments, whereas the second sub-section reflects on the broader geopolitical dynamics.
- ii) The second part focuses more on the current situation by exploring the key features and achievements of the BSS and on the potential contribution of the EaP related to BSEC–EU Interaction.
- iii) The third part deals with the various setbacks and pending issues of both the BSS and EaP and how these policy initiatives might influence – negatively or positively – the relationship between the BSEC and the EU.
- iv) The fourth part explores the “way forward.” The idea is to table some proposals or at least to raise the appropriate questions regarding the BSEC’s role, in particular, in this evolving environment.

1. Historical account

The micro approach (institutional dimension)

The first step towards the establishment of a relationship between the BSEC and the EC took place in the Summit of the Heads of State and Government of the BSEC member states (Moscow, 25 October 1996), where the political will of the member states to cooperate with the EU in fields of common interest and to work out a common platform for developing closer contacts and cooperation was affirmed in the ensuing Declaration.⁵ The following year, the European Commission issued a Communication that contained an assessment of the region's potential and several pertinent observations such as the emergence of valid and promising synergies in the Black Sea region as well as the possibility to identify concrete fields for constructive interaction between the EU and the BSEC as a regional organisation.⁶ Based on that Communication, the EU Council included in its Conclusions (13 December 1997) a section on the Black Sea region highlighting its strategic importance for the EU, the role that the BSEC could play in that respect and possible priority objectives for cooperation.⁷ The BSEC Summit Meeting (Yalta, 5 June 1998) welcomed the relevant Conclusion of the EU Council and instructed the BSEC Council of Ministers of Foreign Affairs (CMFA) to prepare an adequate response.⁸

⁵ The exact wording of the Declaration is: "They [Heads of States or Governments] express their intention to develop further cooperation in fields of common interest with such institutions as the European Union,..." See, Summit of the Heads of State and Government of the BSEC Member States, *Moscow Declaration of the Heads of State or Government of the Participating States of the Black Sea Economic Cooperation*, Moscow, 25 October 1996.

⁶ Commission of the European Communities, *Regional co-operation in the Black Sea area: State of play, perspectives for EU action encouraging its further development*, COM (1997) 597 Final, Brussels, 14 November 1997.

⁷ Presidency of the European Council, *Conclusions*, para. 67, Luxembourg, 12-13 December 1997.

⁸ The exact working of the paragraph is important as it reveals the spirit of cooperation expressed at the time. More precisely, "The BSEC will further develop its already established cooperation with the European Commission... on the basis of complementarity, comparative advantage and subsidiarity. In this cooperation, the BSEC-EU relationship is of a particular importance. We welcome the Conclusions of the EU Council of Ministers of last December as a first step in the elaboration of a comprehensive strategy of the EU towards the BSEC and its Participating States. We fully share the view that the BSEC-EU cooperation in the

The Platform for Cooperation between the BSEC and the EU was adopted by the BSEC CMFA in 1999 (Tbilisi, 30 April 1999). During the years that followed, several BSEC–EU contacts took place at various levels, with mostly inconclusive results. A few years later, the Hellenic Chairmanship-in-Office of the BSEC (November 2004–April 2005) adopted a more pragmatic approach. A special meeting of the BSEC Committee of Senior Officials (CSO) with representatives of EU institutions and member states took place in Brussels (11 April 2005); it 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 the BSEC–EU Interaction.

Under the Moldovan Chairmanship-in-Office, the BSEC Council (Chisinau, 28 October 2005) adopted a Declaration on the enhancement of cooperation with the European Union and decided to mandate the Hellenic Republic to proceed with exploratory consultations with relevant EU institutions with a view to the adoption of a declaration by the EU Council on an enhanced BSEC–EU partnership and the eventual formulation of an EU Dimension which would include the coordination of the EU's regional policies.⁹ In pursuance of its mandate, the Ministry of Foreign Affairs of the Hellenic Republic prepared a Working Paper entitled “Towards an EU Regional Dimension in the Wider Black Sea Area,”¹⁰ which was presented at the meeting of the EU Working Party on

fields of transport, energy, telecommunication networks, trade, ecology, sustainable development, and justice and home affairs has a promising future. The ultimate aim is to progressively shape the EURO-BSEC economic area.” See, Summit of the Heads of State and Government of the BSEC Member States, *Yalta Declaration of the Heads of State or Government of the Participating States of the Black Sea Economic Cooperation*, Yalta, 5 June 1998.

⁹ The precise wording was: “Commending the initiatives undertaken by the Hellenic Republic during its Chairmanship-in-Office for the intensification of the interaction between the BSEC and the EU and recalling the relevant provisions of the Komotini Statement of the 12th Meeting of the Council of Ministers of Foreign Affairs of the BSEC Member States;...Recall, in particular, the mandate given to the Hellenic Republic by the 13th Meeting of the Council to initiate exploratory consultations with the relevant EU institutions on the enhancement of BSEC-EU interaction.” BSEC Council, *Declaration on the enhancement of cooperation with the European Union*, Chisinau, 28 October 2005.

¹⁰ The term “wider Black Sea area” is used to describe the BSEC area, including SE Europe, littoral states of the Black Sea and the Caucasus. See, Ministry for Foreign Affairs of the Hellenic Republic, *Towards an EU Regional Dimension in the Wider Black Sea Area*, Working Paper presented following the resolution of the Council

Eastern Europe and Central Asia (COEST) in Brussels (25 January 2006). A second meeting of the BSEC Committee of Senior Officials with representatives of EU institutions and member states took place in Brussels (11 April 2006), while the Secretary General of the BSEC PERMIS made a presentation at the COEST on the BSEC's expectations with regard to the EU (29 May 2006).

In a significant development, the EU General Affairs and External Relations Council meeting of 14 September 2006 held a debate on the subject of strengthening the relations between the EU and the BSEC and put on record the indication given by the European Commission that it would present, before the end of 2006, a new Communication on the European Neighbourhood Policy (ENP) which would also address the Black Sea region.¹¹ The BSEC Council of Ministers of Foreign Affairs (Moscow, 1 November 2006) adopted a Declaration containing specific references to the progress made in the process of enhancing BSEC–EU Interaction and decided to authorise the Committee of Senior Officials to finalise the draft Working Paper on BSEC–EU Interaction and to forward it to the EU institutions as an official BSEC document.¹² The European Commission Communication on ENP that year specifically mentioned the

of the Foreign Ministers of the Black Sea Economic Cooperation, Chisinau, 28 October 2005.

¹¹ “The Council took note of a request by the Greek delegation, supported by certain other delegations, for the EU to strengthen its relations with the Organisation of the Black Sea Economic Cooperation (BSEC) and to develop a comprehensive policy towards the Black Sea region, so as to act more effectively at a regional level. ... The Commission indicated that it would present, before the end of the year, a new communication on the European Neighbourhood Policy which would address the Black Sea region.” General Affairs and External Relations Council of the European Union, *Main Results*, 15 September 2006, Brussels, p.17.

¹² In this Declaration one already observes the increased interest of the BSEC as there are many references. More precisely, one reads “Stressing the need to establish a mechanism for cooperation between BSEC and EU, in particular in the economic sphere. ... Note that the growing importance of the BSEC region is gaining wider recognition due to its rich natural and human resources, as well as to the current trends of global politics and economics. The task of close interaction between BSEC and EU in the BSEC region is coming to the forefront, which will call for the progressive promotion of their relations and cooperation. ... Reaffirm the relevance of the resolution adopted at the 12th Meeting of the BSEC Council of Ministers of Foreign Affairs, establishing an Ad-Hoc Group of Experts on BSEC–EU Interaction and the outcome of their Meetings in Mati/Greece on 6–7 September 2005, in Istanbul/Turkey on 1 March 2006 and in Mati/Greece on 15–16 March 2006.; “Renew their intention to convey to the EU the new version of the platform for a BSEC–EU cooperation at every level for the benefit of all sides.”

possibility of closer contacts with the BSEC, including observer status, and announced the intention to produce a special Communication on strengthening the Black Sea dialogue in the course of 2007.¹³ The exact wording of the Communication was: “The Black Sea Economic Cooperation Organization (BSEC) provides a useful platform for our dialogue and cooperation with the region as a whole. The Commission is currently examining the possibility of establishing closer contacts with the BSEC...” A further mission of the BSEC Troika (Brussels, 5-6 December 2006) had working contacts with officials of the European Parliament and the EC and participated in a dedicated meeting of the COEST.

Furthermore, in December 2006, a final draft of the Working Paper on BSEC–EU Interaction, elaborated by the International Centre for Black Sea Studies (ICBSS), was presented to the BSEC Committee of Senior Officials. Following endorsement by the CSO (Istanbul, 17 January 2007), the Working Paper acquired the status of an official BSEC policy document entitled “BSEC–EU Interaction: The BSEC Approach” and was presented as such to the EU institutions for consideration as a regional input to the preparation of the announced Communication of the EC devoted to the strengthening of the Black Sea dialogue. Another meeting between the BSEC CSO and the EU open Troika was held in Istanbul on 23 March 2007. Taking into account the proposals tabled by the BSEC, the European Commission published its breakthrough Communication during the German EU Presidency.¹⁴ The BSEC welcomed the Commission’s initiative and expressed the desire to develop concrete cooperation projects in the different areas of common interest and working relations continued with a Joint BSEC Troika and EU COEST meeting (Brussels, 21 May 2007). In a renewed manifestation of the mutual interest in close cooperation, the European Commission was granted observer status to the BSEC on 25 June 2007 at the organisation’s 15th Anniversary Summit held in Istanbul. On 25 October 2007, the Council of Minister of Foreign Affairs of the BSEC member states (17th Meeting, Ankara) expressed the expectation that the revised Terms of Reference would enable the Ad Hoc Group of Experts on BSEC–EU Interaction to become the appropriate BSEC subsidiary organ for promoting concrete synergies with the EU.¹⁵ A first CSO meeting with EC

¹³ Commission of the European Communities, *Strengthening the European Neighbourhood Policy*, (COM(2006)726final, Brussels, 4 December 2006.

¹⁴ Commission, *Black Sea Synergy*.

¹⁵ “Welcome the positive developments in the relations between the BSEC and the European Union...and the acquisition by the Commission of the European Communities of Observer Status in BSEC at the BSEC Fifteenth Anniversary Summit in Istanbul, in June 2007, and to that effect decide to...charge the BSEC

as an observer in its official capacity took place in Istanbul on 27 September 2007, discussing *inter alia* the planned launch of the BSS in early 2008. On 3 April 2008, the Commission issued another relevant Communication making specific reference to the objective of the Union in “promoting regional integration beyond the borders of the Union” and to the observer status of the EC in the BSEC that according to the Communication would help to develop “working links with the Organisation...”¹⁶

On 14 February 2008, in Kyiv, the Ministers of Foreign Affairs of the member states of the BSEC drafted a Declaration on “BSEC–EU Enhanced Relationship.” At the same time a meeting of the Ministers of Foreign Affairs of the countries of the EU and of the wider Black Sea area took place to launch the BSS.¹⁷ On 12 November 2008, BSEC–EU consultations within the COEST Working Party were held in Brussels. A few months later, and more precisely on 9 April 2009, the BSEC published a Declaration on Cooperation with the EU in the Field of Energy, and on 19 June 2009 the EC published a Communication that assessed the first year of implementation of the BSS.¹⁸ Later that year, the EC following a joint Polish-Swedish proposal, published a Communication on “Eastern Partnership” and on 7 May 2009 the Heads of State or Government and representatives of the Republic of Armenia, the Republic of Azerbaijan, the Republic of Belarus, Georgia, the Republic of Moldova, and Ukraine, the representatives of the EU and the Heads of State or Government and representatives of its member states met in Prague to bring their relationship to a new level by adopting the Joint Declaration of the Prague

Ad Hoc Group of Experts on BSEC-EU Interaction, coordinated by the ICBSS, to draft an outline of future steps (strategy paper) and working documents after the envisaged high-level BSEC–EU event for the launching of the synergy process.” See, Council of Ministers of Foreign Affairs of the BSEC Member States, *Ankara Declaration*, Ankara 25 October 2007.

¹⁶ Commission of the European Communities, *Implementation of the European Neighbourhood Policy in 2007*, SEC(2008) 403 final, 3 April 2008.

¹⁷ See, *Joint Statement of the Ministers of Foreign Affairs of the countries of the European Union and of the wider Black Sea area*, Kyiv, 14 February 2008; and Ministers of Foreign Affairs of the Member States of the Organization of the Black Sea Economic Cooperation, Declaration on *A BSEC-EU Enhanced Relationship*, Special Meeting of the BSEC Council of Ministers of Foreign Affairs, Kyiv, 14 February 2008.

¹⁸ Commission of the European Communities, *Report on the First Year of Implementation of the Black Sea Synergy*, COM (2008) 391final, Brussels, 19 June 2008.

Eastern Partnership Summit.¹⁹ Thus, following a short period of dynamism, the interaction between the BSEC and the EU was put in the backburner.

Last but not least, besides the EC, the European Parliament (EP) since 2008 has also been vocal in calling for the development of a strategy for the Black Sea region as a whole. In fact, the EP has stressed that the regional cooperation in the Black Sea region should involve the EU, ENP countries, candidate country Turkey and Russia as equal partners and should focus on issues like: security challenges, energy and transport, economic cooperation, institutional aspects, and financing.²⁰ Within this context, the Socialist Group has been active by seizing the opportunity, in June 2008, to call for more Black Sea cooperation. As a matter of fact, during the debate on the Commission's 2007 Enlargement Strategy Paper, the Socialist Group unveiled proposals to create a "Union for the Black Sea" and called for a stronger role for Turkey and Russia. More specifically, according to a statement from the Socialist Group in the EP, "[t]he Black Sea Basin is as important for the European Union as the Mediterranean," while its vice-president, Hannes Swodoba, remarked that "[t]he EU needs a firmer strategy for the development of its relations with the countries to the East. So far our policy has been too modest. The legitimate expectations of our Eastern neighbours, but especially the many challenges in the region, call for something different from the Neighbourhood Policy."²¹ The Commission has also welcomed the initiative by the EP to develop the "EuroNest" parliamentary cooperation and integrate it in the EaP. The idea is to establish a EuroNest Assembly that will serve as an institution for multilateral parliamentary dialogue and exchange, aiming at strengthening existing neighbourly relations between the member states of the EU and its eastern partners, as well as encouraging relations between the partners themselves. Regarding its composition, it is to be made up of 120 members on the basis of parity, with an equal number of members of the European Parliament (MEPs) and members of Parliament of partner countries such

¹⁹ Joint Polish-Swedish proposal Draft Paper, *Eastern Partnership*, 23 May 2008, <http://www.msz.gov.pl/Polish-Swedish,Proposal,19911.html>; Commission, *Eastern Partnership*, and; Council of the European Union, *Joint Declaration of the Prague Eastern Partnership Summit*, Prague, 7 May 2009.

²⁰ European Parliament, *European Parliament Resolution of 10 July 2008 on the Commission's 2007 Enlargement Strategy Paper*, 2007/2271(INI), 10 July 2008 and European Parliament, *A Black Sea Regional Policy Approach*, 17 January 2008.

²¹ <http://www.socialistgroup.eu/gpes/newsdetail.do?id=101298&lg=en>

as, Azerbaijan, Armenia, Georgia, Moldova, Ukraine, and representatives of the democratic forces of Belarus.²²

Also, the Parliamentary Assembly of the Black Sea Economic Cooperation (PABSEC) has established close relations with the EP. In fact, a Permanent Delegation for Cooperation between the PABSEC and the EP has been established with the objective to maintain and develop contacts between the two bodies, ensure coordination and promote initiatives. Although, the Permanent Delegation has not functioned to date it is a step forward in enhancing BSEC–EU Interaction.²³

The macro approach (the [geo]political dimension)

The historical account would be, however, incomplete if one were only to focus on the institutional developments of the relationship between the BSEC and the EU that basically reflect to a large degree its bureaucratic logic. To this end, it would be appropriate to also take into account the geopolitical background and dynamics of this relationship. During the 1990s, the EU's approach towards its eastern neighbourhood revolved around the question of membership/non-membership and was essentially limited to providing financial and technical assistance distributed through a range of programmes.²⁴ In this regard, the BSEC, established back in 1992, was basically ignored. The only reference to the Organisation, as mentioned earlier, was in the EC Communication of 1997.²⁵ One could argue that in the EU's thinking, the BSEC was perceived as a regional organisation with a specific mandate (economic cooperation), limited

²² According to the proposal each of the partner countries would be represented by ten parliamentarians. EPP-ED Group in the European Parliament, "EPP-ED proposes the creation of a EuroNest Parliamentary Assembly. Joseph Daul MEP and Jacek Saryusz-Wolski MEP," Press Releases, 16 June 2008, <http://www.eppgroup.eu/Press/showpr.asp?PRControlDocTypeID=1&PRControlID=7540&PRContentID=13128&PRContentLG=en>.

²³ For further information, see *Terms of Reference of the Permanent Delegation for Cooperation between the PABSEC and the European Parliament*, Chisinau, 3 November 2008; Panagiotia Manoli and Stelios Stavridis, "An Emerging Euro-Black Sea Parliamentary Dimension? Contributing to the Black Sea Synergy," *ICBSS Policy Brief*, no.9 (Athens: ICBSS, December 2008).

²⁴ Namely, TACIS (Technical Assistance to the Commonwealth of Independent States), TRACECA (Transport Corridor Europe-Caucasus-Asia) and INOGATE (Interstate Oil and Gas Transport to Europe) that were initiated under the TACIS programme. For further information see: <http://www.traceca.org> and <http://www.inogate.org>

²⁵ Commission, *Regional co-operation in the Black Sea area*, 15-16.

institutional capacities and resources, located in a troubled region and last but not least driven primarily by the interests of the Russian Federation and Turkey.

Overall, the EU was present in the 1990s in the Black Sea region through sectoral cooperation and technical assistance programmes, and its member states coordinated their national foreign policies on a case by case basis, without any collective coherence and within a framework of diverse structures (e.g. OSCE, NATO, etc.). Therefore, one could argue that during the 1990s the Black Sea was perceived as being too far away and too messy for the EU, while it was considered to be too close to and important for both Russia and Turkey. At the time, the Union's priority was managing the war torn Balkans. The BSEC was to a certain degree trapped in the same logic with the same (mis)perceptions.

In 2004, the EU, a victim of its “enlargement success,” was “forced” to develop a focused policy to govern relations with all its new neighbours – the ENP. Since then, the basic goal of the ENP has been to merge various existing policies towards the EU's vicinity and to establish a coherent policy framework that would bring the countries of the region closer to the Union. In this sense, the ENP emerged as a catch-all approach. At the same time, besides the launching of the ENP, the EU started to appoint Special Representatives in the region with the task of contributing to the EU's policy objectives.²⁶ Also within the context of the European Security and Defence Policy (ESDP) the EU has deployed various missions in some countries of the region to tackle specific objectives.²⁷ The BSEC remained

²⁶ The EU Special Representatives in the Black Sea region are the following: Kálmán Mizsei is the EU Special Representative for Moldova since 15 February 2007; Pierre Morel, the EU Special Representative for Central Asia, was appointed on 25 September 2008 EU Special Representative for the crisis in Georgia; and Peter Semneby is the EU Special Representative for the South Caucasus since 20 February 2006. For more information, see “EU Special Representatives,” <http://consilium.europa.eu/showPage.aspx?id=263&lang=en> (accessed 21 December 2009).

²⁷ The EU launched on 16 July 2004 an EU Rule of Law Mission to Georgia, the so-called EUJUST THEMIS, which successfully completed its tasks on 14 July 2005. Besides Georgia, the EU has also been present since 30 November 2005, within the context of the ESDP, in Moldova and Ukraine, through the establishment of a Border Assistance Mission (EUBAM) that has the objective to support capacity building for border management, including customs, on the whole Moldova-Ukraine border, including the border between Ukraine and the separatist Transnistrian region of the Republic of Moldova. Following the 2008 South Ossetia conflict, the EU decided on 15 September 2008 to deploy a monitoring mission to Georgia (EUMM Georgia) with the primary objective to contribute to

marginalised and due to its composition and heterogeneity was considered as an organisation with conflicting interests among its member states and thus not in a position to help bring the region closer to the EU.

Within this context, the case of the Black Sea region and the BSEC in particular, proved to be rather problematic and complex. The fact that this neighbourhood constituted part of the EU's common neighbourhood with Russia compounded the *problematique*. Furthermore, the accession negotiations with both Bulgaria and Romania, and later on with Turkey, did not bring the BSEC closer to the EU, as the aforementioned countries chose to establish direct bilateral relations with the EC. At the same time, the institutional paralysis of the Union provided the opportunity for some countries to advance their own policies and implement their respective national prerogatives ignoring in many cases the BSEC's potential role. The EaP is to a certain degree a typical example.

2. The state of play

The Black Sea Synergy: enhancing BSEC–EU Interaction

Three years after the launching of the ENP in 2004, the first policy to deal exclusively with the Black Sea region and give the BSEC a prominent role was the BSS. At the time of its inception, much enthusiasm stemmed from a strong political backing, especially from some of the EU's heavyweights, and a “silent” Russian consensus. In the months that followed, although this goodwill became more subdued, a few positive results were achieved.

- The BSS managed for the first time to put the Black Sea region on the radar screen of the EU as a single distinct policy area, a unit of analysis and not a vague geographic space. It also recognised the BSEC as a regional partner to the EU. It did so by raising the policy profile of the region –and of the BSEC in particular– and since then paving the way for a more coherent EU approach towards the region as a whole. The traditional state-by-state approach was considered complementary.
- It brought together, for the first time, all the major political actors and other key stakeholders (national governments, international and

the stabilisation of the situation, in accordance with the Six-Point Agreement brokered between Georgia and Russia on 12 August 2008, and the subsequent implementing measures. For further information, see: <http://www.consilium.europa.eu/showPage.aspx?id=1512&lang=en> (accessed 18 January 2009).

regional organisations, private sector, etc.) –including, of course, the BSEC– involved in shaping the future of the region thus promoting inclusiveness.²⁸ Certainly, there have been obstacles and some states seemed –for different reasons– from the beginning quite reluctant to participate in this endeavour. Yet, it marked a new beginning.

- The BSS promoted the concept of regional cooperation not only between the EU and the region but equally and more importantly within the region thus making local ownership a key element. Through this, the misconception of the local states that they could come closer to the EU regardless of their relations with their neighbours was minimised. The BSEC was valued not only as a regional cooperation scheme but also as an engine that could bring the states of the region closer to the EU.
- It promoted a project-oriented approach to address common problems requiring regional actions with a particular emphasis on the environment and transport. It thus created the conditions for a spillover effect to other policy areas, such as energy and security. Once more, the BSEC was recognised as a potential key actor, especially in issues of common (regional) concern.
- Lastly, the BSS reinforced the Europeanisation process in the region by promising specific “carrots” and having concrete benchmarks.²⁹

The Eastern Partnership: ignoring the BSEC’s presence?

The EaP, on the other hand, has a totally different rationale from the BSS as it was basically a response to the “failures” of the ENP and the limited success of the BSS (although the latter was launched only a few months earlier, in 2008). Taking advantage of the widespread belief that the ENP, the BSS, and the BSEC could not produce any significant results, the idea put forward was based on the principle of “more for more,”³⁰ in other words if you “do more,” you will “get more” – a variant of the conditionality principle. Furthermore, many also argue that the EaP has certain emblematic elements in it as it represents perhaps another effort to

²⁸ Alexandros Yannis, “The European Union and the Black Sea Region: The New Eastern Frontiers and Europeanisation,” *ICBSS Policy Brief*, no.7 (Athens: ICBSS, May 2008): 4.

²⁹ *Ibid.*, 4-5.

³⁰ Kerry Longhurst and Susanne Nies, “Recasting Relations with the Neighbours - Prospects for the Eastern Partnership,” *Europe’s Visions*, no.4 (February 2009): 15-18.

overcome the divisions that occurred for the first time since the dissolution of the Soviet Union and then instigated by many disputes and conflicts within the former soviet space, culminating in part in the hostilities between Russia and Georgia in August 2008. The EaP is also seen as an endeavour by the EU to raise the visibility of the wider Black Sea area in the eyes of Europeans and refresh their dormant awareness towards Europe's eastern "near abroad." Especially for those countries that have European aspirations, the EaP serves as some psychological anchor for internal transformation and readjustment to reach the requisite EU standards and criteria, though their chances for the immediate accession into the EU are not imminent. Nevertheless, the EaP is also perceived by many, especially in Moscow, as a cover for a broader effort to isolate Russia and ignore its regional interests. Regardless of whether these commentaries are right or wrong, it should be borne in mind that this new initiative raises suspicion in Moscow as its emphasis on the gradual integration of the targeted countries brings to the fore the competing EU and Russian notions of their common neighbourhood. In this regard, the key points are the following:

- i) The EaP is considered to be more flexible than the BSS since it includes 5 (+1) countries and thus can be tailored to each partner's needs and capacity and since it also targets a limited geographical scope compared to the BSS.³¹ Reading the Communication and the Joint Declaration, one understands that the key notion in the EaP is differentiation ("...taking into account the specific situation and ambition for each partner country," Joint Declaration, para. 4). In this regard, this approach provides for flexibility and enhances efficiency, although it clearly ignores the BSEC's role. As a matter of fact, the BSEC is not even mentioned as a potential platform for the implementation of various multilateral initiatives (i.e. the so-called multilateral track of the EaP that is considered to be its added value) in the region. The only related reference to the BSEC is a reference to the Synergy in the Working Document accompanying the EaP.³²

³¹ More precisely, the EaP includes Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine. All with the unique exception of Belarus are member states of the BSEC. Lastly, it should be noted, however, that the level of Belarus' participation in the EaP will depend on the overall development of EU-Belarus relations.

³² The exact reference is: "The Black Sea Synergy is a regional cooperation initiative covering five Eastern ENP countries as well as the Russian Federation and Turkey. There is substantial complementarity between the EaP and the Black Sea Synergy and other regional and international initiatives. At its core the Black

- ii) The funding, although limited, is more substantial than the funding accorded to the BSS. This has raised certain doubts in the implementation of some ambitious projects in the region where the BSEC has a say.³³
- iii) The EaP also promotes political dialogue through the launching of high level Summits. According to the Communication, meetings of the EaP Heads of State or Government will be held every two years and spring meetings of Ministers of Foreign Affairs of the EU and its Eastern partners, including Belarus as appropriate, attached to a General Affairs and External Relations Council will be held on an annual basis. The importance of these meetings lies on the “socialisation effects” of a process bringing together the parties to address issues of common concern and interest. However, the BSEC is not assigned any role in this process.
- iv) Lastly, it contains a more coherent group of non-EU countries, i.e. countries that are easier to handle as a group. More specifically, the “exclusion” of Russia and Turkey in this regard is important since both countries have acquired a different status in their relationship with the EU (Turkey as an accession country; Russia as a strategic partner) than the other states of the region. It is evident that EaP has a formal state-centric approach placing bilateralism at its core while the regional aspects are undermined.

Nevertheless, what makes the EaP promising, for the targeted countries, is that it contains two strong incentives that have been also placed at the top of the BSEC’s agenda since its inception. Namely,

- a Free Trade Area (FTA) and the creation of a Neighbourhood Economic Community (this overlaps to a certain degree with the priorities of the BSEC and its Economic Agenda adopted in 2001); and
- Visa Facilitation, although the wording of the Joint Declaration is rather cautious as it uses terms like “long term goal,” “case-by-case basis,” etc.³⁴

Sea Synergy is a sea-basin cooperation aimed at solving problems which require region-wide efforts.” See, Commission of the European Communities, Commission Staff Working Document accompanying the Communication from the Commission to the European Parliament and the Council, *Eastern Partnership*, Brussels, SEC(2008) 2974/3, {COM(2008) 823.

³³ Longhurst and Nies, “Recasting Relations with the Neighbours,” 17.

³⁴ Commission, *Eastern Partnership*, 4-6.

Overall, the EaP focuses on deepening bilateral cooperation by offering more profound integration with the EU, thus undermining the concept of regional cooperation. According to the recent declaration (2009)

The main goal of the EaP is to create the necessary conditions to accelerate political association and further economic integration between the EU and interested partner countries.³⁵

As a matter of fact it could be clearly argued that the whole idea of the EaP draws on the experiences of the Visegrad Group and the Central European Free Trade Agreement (CEFTA), giving thus the opportunity to the countries concerned to better integrate as a group, while implementing at the same time domestic reforms and adjusting to the *acquis communautaire*.³⁶ Actually, the EaP goes even further and serves as a quasi pre-accession strategy document although the term “enlargement” is not mentioned as a goal.

3. Identifying drawbacks and obstacles in the interaction between the BSEC and the EU

However, beyond the nature of the two policy initiatives, a number of significant drawbacks and obstacles stemming from both the EU, the states of the region, and the BSEC’s performance can be discerned. More precisely:

Drawbacks in the EU’s Eastern/Black Sea policy

- **Insufficient leadership capacities.** A first drawback has to do with the insufficient leadership capacities of the countries that are members both to the EU and the BSEC, namely Greece, Bulgaria, and Romania. One would think that these states – since they are in a privileged position – would have taken the lead and promote BSEC–EU Interaction. On the contrary, they have not assumed such a role to date while the BSEC does not constitute a priority in their own respective foreign policy agendas. Perhaps, the only exception that can also serve as a role model for the forthcoming Chairmanships-in-office of Bulgaria (November 2009-May 2010), Greece (June 2010-December

³⁵ Council, *Joint Declaration of the Prague Eastern Partnership*, 6.

³⁶ Agnieszka K. Cianciara, “‘Eastern Partnership’ – opening a new chapter of Polish Eastern policy and the European Neighbourhood Policy?” *Analyses and Opinions*, no.4 (Warsaw: Institute of Public Affairs, June 2008), 3.

2010) and Romania (January 2011-April 2011) is the last Hellenic Chairmanship (November 2004-April 2005) that indeed enhanced in many ways the perspectives of BSEC–EU Interaction. In this regard, more commitment and lobbying are needed from their side and a division of labour (e.g. in the context of Sectoral Partnerships) would be an important step forward.

- **Limited contribution from EU institutions.** A second setback has to do with the European Union and the Commission in particular. Only two years after the launching of the Synergy, its input in terms of administrative and financial resources in the implementation of the BSS has been rather modest. As a matter of fact, the Commission has refused or has been unable to take on the role of the leader, and, in certain cases, implementer of the BSS. In fact, even in terms of human resources, the Commission personnel working on the EaP vastly outnumbers those working on the BSS. Considering that the Commission now has to deal with another policy, namely the EaP, and that at the same time the financial resources have become more limited due to the financial crisis, the picture becomes even bleaker. As a matter of fact, key targets such as free trade and visa facilitation that are mentioned in both policies might be the first to suffer, as many EU member states and neighbours are becoming increasingly protectionist. This should be kept in mind as it is estimated that the effects of the global financial and economic crisis will be lasting.
- **EU–Russia relations.** A third setback relates to EU–Russia bilateral affairs. The launching of the EaP has complicated the picture, as Russia has already stated its concerns. As a matter of fact, many Russian officials have expressed their discomfort with the new EU policy initiative, with Sergei Lavrov, the Minister for Foreign Affairs, saying on 21 March 2009 at the Brussels Forum, that “[w]e are accused of having spheres of influence. But what is the EaP, if not an attempt to extend the EU's sphere of influence, including to Belarus?”³⁷ Meanwhile, divisions within the EU on how to deal with Russia have become sharper.
- **The nature of the EaP.** A fourth setback stems from the very nature of the EaP in terms of balancing its bilateral and multilateral components. On the one hand, there are many good reasons for developing a multilateral approach, although this is not something that fits easily with the *acquis* of any of the countries concerned. On the other hand,

³⁷ Quoted in “EU expanding its ‘sphere of influence,’ Russia says,” *Euractiv*, <http://euobserver.com/9/27827>.

it seems rather obvious that any country that can develop momentum in its bilateral relationship (especially if upgraded to an Association Agreement) is likely to give priority to this, as Ukraine has already indicated. Within this context, it should be borne in mind that the EaP countries start from quite different bases – for example, Azerbaijan and Belarus are not yet members of the World Trade Organization (WTO).³⁸ As a matter of fact, some states, particularly Ukraine, have already established bilateral agreements with the EU covering most of the policy themes mentioned in the EaP. Especially, when it comes to the establishment of a free trade area and visa policy, Kiev has stated on many occasions that the EaP does not provide any added value compared to the ongoing relations between Ukraine and the EU. Furthermore, with the unique exception of Belarus, all the other EaP countries already have separate Partnership and Cooperation Agreements (PCAs) with the EU. Consequently, many question the added value of the multilateral track of the EaP, which though characterised as a “new carrot” fits better in the BSS with its regional scope. The multilateral track that exists in the BSS provides a flexible framework for multilevel (i.e. local, national, etc.) and variable geometry (even engaging countries from Central Asia) cooperation. In this regard, the multilateral track is already incorporated in the regional track in many ways (e.g. in the context of the BSEC where sectoral partnerships among some member states are in place and in other existing initiatives where some states of the region participate while others do not).

- **Energy security.** The issue of energy and energy security have become in the case of BSEC–EU Interaction a hidden but major issue on the national and regional agendas, as the region itself constitutes a principal transport route of energy resources from the Caspian Sea and Central Asia to the West. In this regard, the region has become a testing ground for the pattern of relationships among producer (e.g. Russia, Azerbaijan, Turkmenistan, etc.), transit (Bulgaria, Georgia, Turkey, Russia, Ukraine, etc.) and consumer countries. Furthermore, one could suggest that energy has become a dividing issue not only among the member states of the BSEC, but also among the member states of the Union that also approach energy issues – especially the planning and the construction of pipelines – as a zero-sum game. The BSEC–EU agenda is, then, often shaped under the “shadow” of fierce

³⁸ Helen Wallace, “The European Union and its Neighbourhood: Time for a Rethink,” *ELIAMEP Thesis*, no.4 (Athens: ELIAMEP, May 2009), 5.

energy competition. In this context, even if not directly, the BSEC–EU relationship has been hampered.

- **Recognition issues.** It is indeed difficult to expect from a regional organisation such as the BSEC to advance its relations with other organisations and partners when there are still issues of national sovereignty open among its member states. This concern has negatively impacted the regional cooperation agenda, especially since the events of August 2008.
- **Policy overlapping and contradictions.** The overlapping agendas of the BSS and the EaP which fall within the ENP framework, is another impediment, as there seems to be a degree of overlap – at least in certain policy themes – that should be minimised or at least clarified.³⁹ Furthermore, though the interest of the EC, the EP and the Committee of the Regions for the wider Black Sea area – and in some cases for the BSEC in particular – is a good sign, at the same time it has created some confusion and has distorted the concept of the BSEC–EU Interaction. By and large the EaP document is, in general, calling on the one hand for the promotion of democracy, the rule of law, respect for human rights and freedoms, cooperation to expand free trade, and the elimination of visas, but, on the other hand, it is short on specifics. Hence its impact is reduced.
- **Institutional weaknesses.** Neither the EaP nor the BSS is going to be institutionalised (i.e. to have its own secretariat or budget), but rather will be financed through the ENP. This might reveal some weaknesses with the passage of time in terms of maintaining regular channels of communications with various regional actors.
- **Wrong interpretations and misconceptions.** Last but not least, as mentioned above, the EaP is interpreted wrongly by many as a short-track access to the European Communities or as a swaddle for arranging an alternative energy scheme to bypass Russia. This clearly creates confusion, causes divisions and therefore further clarification of some “blurred” points is needed.

The BSEC’s limitations

Regarding the BSEC’s role, one can discern the following setbacks:

³⁹ Yannis Tsantoulis, “The Black Sea Synergy and the Eastern Partnership: Different centres of gravity, complementarity or confusing signals to the region?” *ICBSS Policy Brief*, no.12 (Athens: ICBSS, February 2009).

- **Limited implementation capabilities.** The first setback is related to the BSEC's – and its member states' – weakness to play the role of an enabler and advance the implementation of the Synergy. As the Commission has explicitly stated in many occasions, it is not only the Commission that should implement the Synergy. The Joint Declaration of the EaP (7 May 2009), for example, contains precise wording, i.e. “a common endeavour,” “shared ownership and responsibility,” “...will be developed jointly,” “...on a basis of joint decisions.” Therefore, more action is needed from the BSEC that has not shown real commitment and willingness to move forward.
- **Lack of “success stories.”** The second setback is related to the slow pace of the BSEC in concluding agreements and identifying and implementing regional projects. Only two intergovernmental agreements with their protocols have been reached so far (both signed in 1998).⁴⁰ Since then the BSEC has concluded several Memoranda of Understanding (MoU), including the “Memorandum of Understanding for the Coordinated Development of the Black Sea Ring Highway” and the “Memorandum of Understanding on the Development of the Motorways of the Sea at the BSEC Region” both signed in 2007.⁴¹ Indeed, the lack of “flagship” projects symbolises the minimal progress toward regional cooperation. There is not a single success story or a “flagship” project with which the BSEC is identified. The only exception perhaps is the role of the Black Sea Trade and Development Bank (BSTDB) that as a matter of fact confirms the rule. Both the “Black Sea Ring Highway” and the “Motorways of the Seas” are in the implementation process and, although there is some progress on the ground, much needs to be done.
- **Lack of coordination.** Furthermore, there is also a lack of inter-sectoral coordination. The “vertical” communication of the member states (i.e. all communication is conducted through the ministries of foreign

⁴⁰ The last one, signed in Corfu on 2 October 1998, is titled “Agreement among the Governments of the Black Sea Economic Cooperation Participating States on Cooperation in Combating Crime, in particular in its organized forms” and the other one, signed in Sochi on 15 April 1998, is titled “Agreement among the Governments of the Participating States of the Black Sea Economic Cooperation (BSEC) on Collaboration in Emergency Assistance and Emergency Response to Natural and Man-made Disasters”. For further information, see: Ioannis Stribis and Dimitris Karabelas, comp., *The BSEC at Fifteen: Key Documents 1992-2007* (Athens: ICBSS, 2007), 105-119 and 155-172.

⁴¹ For an overview of all BSEC MoUs until 2007, see *ibid.*, 146-150, 175-178, 227-237, 331-335, 339-341.

affairs and then forwarded to sectoral ministries) has prevented in many ways the active engagement of other relevant ministries (e.g. economy, transport, etc.) in the work of the BSEC. It has also obstructed any inter-sectoral collaboration among sectoral ministries of the member states.

- **Insufficient financing and resource mobilisation.** There is also insufficient resource mobilisation as neither the BSEC nor any of its institutions (including its major financial pillar, the BSTDB) have successfully mobilised resources.
- **Limited engagement.** The participation of the private sector and civil society is also limited. Despite the emergence of a number of civil society organisations in the Black Sea region, and the provision of the right to obtain sectoral dialogue partnership with the BSEC, civil society, particularly business interests, have not lobbied the Organisation and vice versa. This in part stems from the BSEC's top-down approach.
- **Lack of visibility.** There is lack of visibility, coordination and cooperation with other regional initiatives. However, one should also mention that close cooperation has been established between the BSEC and the Central European Initiative (CEI) during the last couple of years. Also, since March 2008, the BSEC has initiated a number of activities (e.g. organisation of closed Meetings) bringing closer the BSEC to other regional initiatives such as the Adriatic and Ionian Initiative, the Danube Co-operation Process, the Regional Cooperation Council and the South East European Cooperation Process at the level of the Secretariats. Nevertheless, these efforts represent but a small part of the BSEC's full potential in this regard.
- **Organisational weakness.** Last, but certainly not least, the institutional performance of the Organisation is not efficient. The BSEC has developed an overly institutionalised bureaucratic structure (having approximately seventeen working groups and various groups of experts), consisting of a web of organs and a decision making process that delays actions and obstructs the performance of the Organisation. The Committee of Senior Officials has been the most symptomatic organ of all (especially in terms of its slow decision making process). Lastly, the Permanent Secretariat has proven on many occasions insufficient as it lacks much needed expertise undermining thus the transformation of the Organisation into a project-oriented mechanism.

The nature of the BSEC's performance, whose flaws are due in part to its working methods and practice, has led to a lack of interest in submitting

regional projects from the relevant national and international actors dealing with economic issues. The absence of a policy or of concrete priorities of the member states towards the BSEC has produced a structure which is unable to generate regional projects of importance for the development and stability of the region (the projects that have been submitted to the organisation's Project Development Fund usually have no regional impact or visibility). It has also led to a complicated bureaucratic structure (and not one of technocrats-experts) that blocks any effort for change and has nothing to do with the original concept of a flexible, efficient structure.

Overall, the almost parallel launching of the EaP and the BSS coupled with the BSEC's poor record seems to have weakened the prospects for the development of a meaningful relationship between the BSEC and the EU. As mentioned above, following the launching of the two policy initiatives a number of key questions and issues seek to address

- the division of labour;
- the allocation and the distribution of the funding;
- the issue/lack of leadership;
- the limited resources;
- the need for coordination; and
- Russia's role in the region (it should be stressed that Russia has been relatively supportive of the BSS in contrast to the EaP).

Consequently, there has been little dynamism and slow progress on the ground to date. Hence, specific projects promoting synergies have seen a slow take-off.

4. The way forward

The above mentioned shortcomings in the interaction between the BSEC and the EU are indicative of the obstacles that need to be overcome in order to advance regional cooperation in Europe's Black Sea shore. The weight of these institutional deficiencies and geopolitical conditions notwithstanding, there is ample potential for BSEC–EU Interaction. In this regard, the challenges lying ahead for the EU relate primarily to clarifying its Eastern Neighbourhood Policy (including the formation of a strategy *vis-à-vis* Russia) while for the BSEC the challenge lies in finding its mission in today's Europe and acquiring the requisite institutional scheme

and resources. In fact, there might be more than one ways to advance BSEC–EU Interaction.

The way forward, thus, implies the following key features:

What the EU should do

- **Pragmatism.** The EU and the member states of the BSEC should not have a long list of nominal priorities but should rather focus on a very limited number of projects and objectives that can be implemented and fulfilled within a regional framework. Moreover, the disjunction between the Commission's emphasis on the social, economic and governance dimensions (all equally important) and the geopolitical realities of the countries' situations is a major issue to be addressed. This implies that conflict resolution issues should be more clearly in the policy frame, despite and because of the sensitivities of the issues at stake.
- **Coordination.** The EU should put together a number of sectoral partnerships, where international actors and donors are already operating in the region, pull resources together and implement common projects. Many argue that multilateral cooperation based on sectoral partnerships following the success story of the Northern Dimension is perhaps the only way forward.⁴² This could also take place in the context of the EaP with the BSEC's participation.
- **Ownership.** The EU needs to support credible initiatives emerging from the region, such as the BSEC, while it should also encourage the Organisation to narrow down the core business of its activities by focusing on feasible objectives. An emphasis on the BSEC could catalyse it into action and reform in order to meet its exigencies.
- **Flexibility.** The bilateral, multilateral or regional scope of the various EU initiatives should be adapted depending on the challenges and issues at stake.
- **Consistency.** The BSS and the EaP should support together the formation of a coherent new Ostpolitik. As such, they should not constitute a strategy per se, nor an institutional alternative for the countries concerned. In fact, both the BSS and the EaP were conceived and formulated in the pre-August 2008 period and as such a new strategy might need to be adopted.

⁴² Ioannis Stribis, "Black Sea Sectoral Partnerships: A Tentative Model," *ICBSS Policy Brief*, no.14 (Athens: ICBSS, May 2009).

- **Visibility.** Both cooperation initiatives should send together a strong signal about the importance and expectations that the Union attaches to the wider Black Sea area and to the countries within it. In order for this to occur, the EU member states need to formulate the requisite strategy.
- **Participation/membership.** The BSEC, following the ratification of the Lisbon Treaty, should discuss the possibility of establishing relations with the European Union itself, regardless of the issue of its representation. The Union now has a legal personality and it thus is in a position to participate in international and regional fora. The timing is good in that in 2010 two EU member states, Bulgaria and Greece, hold successive chairmanships of the BSEC. In this context, the double-hatted EU and BSEC member states – Greece, Bulgaria, and Romania – have a fundamental role to play.

Overall, if the EU intends to upgrade its relationship with the BSEC, by implementing efficiently both policies, the following key elements/notions should be included:

- harmonisation;
- a balanced approach;
- a redefinition of the (strategic) relationship between the EU and Russia and its eastern partners simultaneously; and
- the establishment of a Coordination Mechanism for the BSS and the EaP especially in the post-Lisbon context where almost everything is in flux and will remain for the months/years to come.

What the BSEC should do

Regarding the BSEC, the following steps are crucial:

- **Political support.** The BSEC should earn the political support of its member states. It is high time for all the representatives of the states to change their approach vis-à-vis the Organisation and stop advancing national prerogatives. In a few words, the BSEC needs to become part of the respective foreign policy agenda of its member states.
- **Developmental aspects.** The BSEC should also clarify and enhance its developmental mission. Looking at the common problems and needs, it becomes obvious that there is common ground in this regard. A first

fundamental step could be the revision of the BSEC Economic Agenda (April 2001),⁴³ based on an assessment of the current state of play.

- **Prioritisation.** Furthermore, it should focus, limit and prioritise the agenda on two-three key policy issues/sectors that are not considered to be politically sensitive or ambivalent (e.g. transport, environment) and limit its objectives in terms of their timetable. To be concrete, priority should be given on cooperation in the development of road infrastructure within the Memorandum of Understanding for the Coordinated Development of the Black Sea Ring Highway. The development of maritime infrastructure and links is also under way within the Memorandum of Understanding on the Development of the Motorways of the Sea at the BSEC region. Lastly, in terms of priorities, the BSEC should also try to address the “modern” challenges of globalisation (e.g. the global financial crisis, climate change, etc.) that can unite its member states rather than divide them.
- **Organisational reform.** Moreover, the poor record of the Organisation so far reveals the need for the BSEC to change its working methods that are rather outdated and do not reflect the current and emerging priorities. The subject of a meaningful BSEC institutional reform has long been a priority item on its agenda, but for various reasons it still remains an issue of arcane argumentations, national interpretation and endless discussions. In this context, a practical idea would be to i) reform the Committee of Senior Officials (CSO) as it operates today; ii) enhance the role of the Council; and iii) form a professional, efficient Secretariat. Moreover, the role of the Chairmanship-in-Office – following the example of the presidency of the EU – should be to lead the political, rather than the bureaucratic, activities of the Organisation and the role of the Secretariat – following the example of the EC – should be further enhanced in order to become the international focal point/voice of the Organisation and thus to be able to create and then communicate a long-term, coherent identity of the BSEC, its activities and its objectives abroad.⁴⁴

⁴³ BSEC, *BSEC Economic agenda for the future: Towards a more consolidated, effective and viable BSEC partnership*, Moscow, April 2001.

⁴⁴ For an extensive account on the issue of the reform of the Organisation, see: Ioannis Stribis, *Decision Making in the BSEC. A Creative Cartography of Governance*, Xenophon Paper, no.1 (Athens: ICBSS, 2006) and Panagiota Manoli, “Reflecting on the BSEC: Achievements, Limitations and the Way Forward,” *ICBSS Policy Brief*, no.1 (Athens: ICBSS, July 2006).

- **Operational efficiency.** The BSEC should shape up its operations. A good step in this direction would be to abolish the vertical structure and the existing formalities and make serious efforts to send genuine experts to sectoral meetings and not, for example, local officials from the various Consulates in situ. Especially for projects like the Black Sea Ring Highway and the Motorways of the Seas, the presence of experts is more than necessary. The working methods of the EC in the recent past have underlined the significance of this argument.
- **Sectoral partnerships.**⁴⁵ The concept/model of the Black Sea Sectoral Partnerships, especially after the launch of the BSS and the EaP, should also be advanced as a tool for implementing concrete aspects of the interaction between the member states of the BSEC and the EU. According to the wording used in the Joint Statement in Kyiv, “[t]he Black Sea Synergy could benefit from Black Sea partnerships, involving various stakeholders from the EU and the wider Black Sea area.”⁴⁶ For the time being, there are, within the BSEC framework, two examples in the field of transport that could fulfil the requirement of a project-driven partnership.⁴⁷ These are the aforementioned Black Sea Ring Highway and the Motorways of the Sea. As a matter of fact, there seems to be momentum regarding the partnerships as the Partnership on Environment and the Partnership on Transport are to be launched in March and June 2010 respectively.⁴⁸
- **Fast-Track model.** Furthermore, in terms of the decision-making process, the “Fast-Track Model,” following the EU’s concept of “enhanced cooperation,”⁴⁹ should be further enhanced and be extended

⁴⁵ For further information on the concept of the Sectoral Partnerships, see Stribis, “Black Sea Sectoral Partnerships”.

⁴⁶ *Joint Statement of the Ministers of Foreign Affairs of the Countries of the European Union and of the Wider Black Sea Area*, Kyiv, 14 February 2008, paragraph 7.

⁴⁷ The field of transport has been referred to as appropriate in order to launch a “pilot” Black Sea Partnership.

⁴⁸ See: Permanent International Secretariat of the Organization of the Black Sea Economic Cooperation, Note Verbal, Ref. No: BS/INFO.2009.1087, 15 December 2009.

⁴⁹ The general arrangements for enhanced cooperation are laid down by the Treaty on European Union (EU Treaty, Title VII) and relate to both the European Union and the European Community. In addition to the general regime, special arrangements may be made or added by individual Treaties, as in the case of the Treaty establishing the European Community (EC Treaty, Articles 11 and 11 A). The Treaty of Amsterdam incorporated the “enhanced cooperation” concept into the Treaty on European Union as regards judicial cooperation on criminal matters

to more projects, programmes or sectoral policies, as it helps on the one hand to avoid gridlock in the activities of the Organisation and at the same time – according to the principle of openness – it preserves the vocation of all member states to join at a later stage. Key practical measures would be to re-examine the lower ceiling of participating states in the “Fast-Track” option and, if possible, minimise the issues that require consensus.

- **Funding.** The Organisation should seek to attract funding and transform the Project Development Fund into a project generator muscle.
- **Legal basis.** A formal (legal) agreement between the EU and the BSEC that will also clarify the very nature of their interaction and identify the key objectives is necessary.
- **Channels of communication.** There should also be regular meetings between the EU and the BSEC. For example, the Secretary General of the BSEC PERMIS or the Chairmanship-in-office can meet the President of the European Council, the President of the European Commission or the High Representative for Foreign Affairs of the EU on a regular basis. The COEST Meetings could perhaps also serve as a platform for higher political dialogue.
- **Upgrading of the related bodies.** The BSTDB,⁵⁰ being a key regional stakeholder, should also become instrumental in the implementation of the BSEC–EU Interaction. The BSTDB, as the only International Financial Institution (IFI) with a statutory link to the BSEC, and with a geographical scope of activities that focuses only on the BSEC countries, has to become not only a critical financial muscle of the region but also a sort of bridge with the banking sector of Europe. The BSTDB already cooperates with numerous European financial

and into the Treaty establishing the European Community. The Treaty of Nice introduced major changes that aimed at simplifying the mechanism while the Treaty of Lisbon includes clearer rules on enhanced cooperation. For further information: http://europa.eu/scadplus/glossary/enhanced_cooperation_en.htm and http://europa.eu/lisbon_treaty/glance/index_en.htm.

⁵⁰ The BSTDB is an independent IFI which is a Related Body to the BSEC. It finances regional projects and provides other banking services to projects of the public and private sectors in the BSEC member states and promotes trade activities among its members. As of end December 2008, the active BSTDB portfolio in terms of BoD approved operations stood at US\$1,500 million, signed operations were at US\$1,316 million, while amounts disbursed and outstanding had reached US\$948 million.

institutions, inter alia through its MoUs with the EC, the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), and other IFIs (2007) and the BSEC should use this tool. The same applies to the other related bodies. The ICBSS, for example, has come on its own over the last years through the promotion of a number of initiatives highlighting the research potential of the Black Sea region, focusing on generating interest among young professionals from the region, coordinating EU co-funded “Science and Technology” projects and facilitating debate on political and security issues among scholars and officials as well as holding regular consultations with officials from the EU institutions and EU member states. It could potentially serve as a valuable interface with the possible establishment in Ukraine of an Institute of European Studies in the Black Sea region as indicated in the EC Communication on “Report on the First Year of Implementation of the Black Sea Synergy.”⁵¹ In fact, the ICBSS first proposed the idea in a Food for Thought Paper on “Further BSEC–EU Interaction” sent to the BSEC member states in October 2007.⁵²

The PABSEC has also been gradually enhancing its parliamentary ties with the EP while the BSEC Business Council is picking up steam. The related bodies also periodically cooperate with each other through joint thematic meetings (e.g. intra-parliamentary cooperation, coping with the financial and economic crisis) in order to maximise outputs and efficiency as well as to contribute to the political agenda of the BSEC.

- **Business opportunities.** The BSEC is also a natural vehicle through which to identify and communicate the mainly economic and business opportunities that globalisation can spawn.⁵³ Direct BSEC participation in nascent plans of some multinational corporation working in the Black Sea region for long-term engagement with civil society and other

⁵¹ Commission of the European Communities, *Communication on the Report on the first year of implementation of the Black Sea Synergy*, COM(2008) 391 final, Brussels, 19 June 2008.

⁵² See, “Food for Thought Paper on further BSEC-EU Interaction – Consolidating the Process,” (19 October 2007) in Documentary File compiled by the ICBSS, First Meeting of the Ad hoc Group of Experts on BSEC-EU Interaction, Athens, 4 April 2008.

⁵³ A vivid example is that the Turkish construction company Tekfen was awarded the 2004 Environmental Prize by the International Pipelines Contractors Association for its practices during construction of the Baku–Tbilisi–Ceyhan pipeline (BTC) terminals at Sangachal and Ceyhan.

influential, non-governmental actors in Azerbaijan, Georgia and Turkey as it happened during the construction of the BTC and the SCP, the main regional energy projects, is a good example.

- **New strategic concept.** The never-ending debate over “equal partnership” between the EU and the BSEC deviates from the proper and adequate discussions about the real issues and problems and blurs the strategic focus of the BSEC decision-makers, unnecessarily irritating EU bureaucrats. One needs to remember that the economic and political gravitational pull of the EU is too great to consider the BSEC an equal partner. However, as admitted above, relations between the BSEC and the EU, despite their still embryonic character, are budding. A BSEC engagement strategy, built around serving the self-interests of the EU stands the greatest chance of success. Ironically, it would also serve the interests of the BSEC member states, those that are members, candidates or future candidates for EU accession and those that may never be considered for that status. The BSEC must be seen in Brussels as an essential enabler of the EU policy that can help deliver the relationships and programmes it will need to be effective. In so doing, the BSEC does not “sell-out” its role of promoting the self-interest of its member states. In fact, it actually places itself in a position to enhance that responsibility.

A first step might actually be for the ad hoc Group of Experts on BSEC–EU Interaction to draft a new policy document that takes into account the current state of play (the BSS, the EaP, the Treaty of Lisbon, etc.) and provides for a BSEC blueprint of the relationship with the EU including recommendations. The ongoing drafting process of a Black Sea Regional Strategy for the period 2010-2013, aimed at promoting a region-wide interaction between the BSEC and the EU by the ad hoc Group of Experts, is a testament to its potential.

5. Concluding thoughts

The improvement of the relationship between the EU and the BSEC depends on the following:

- **The firm willingness of the EU and its member states to move forward.** To this end, the EU should put its own house in order by aligning the policies that are relevant to the region, in particular with regard to the Common Foreign and Security Policy (CFSP), on the one hand, and the routines of “external relations” or of the enlargement/pre-accession processes, on the other hand. It is critically important for the Union to

manage carefully – and in parallel with its relations with the BSEC – its complicated relations with both Russia and Turkey. In this regard, the merger of the enlargement and neighbourhood policy portfolios in the new European Commission needs to be handled carefully in order to avoid confusing the Union's neighbourhood.

- The engagement of the Russian Federation as a more proactive key regional stakeholder, also within the BSEC. In this regard, the willingness/ability to discuss recent proposals from Russia such as a new European Security Treaty or other proposals for an agreement on energy principles is a way forward. The increasing values gap between the EU and Russia can only exacerbate regional insecurity if not properly tackled or assessed.
- The efficient involvement of the three EU Black Sea region states (Greece, Romania, and Bulgaria) in promoting synergies and the increased participation of the states from Central and Eastern Europe that have particular interests in promoting that interaction. Also, the fact that there are EU countries that have observer status (Austria, Czech Republic, France, Germany, Italy, Poland, and the Slovak Republic) together with the European Commission or the status of Sectoral Dialogue partner (Hungary and the United Kingdom) is important in this regard.

For example, BSEC's impact in the preparation of the EU strategy for the Danube region that is due later this year is a way forward. The strategy intends to focus inter alia on transport, energy issues, environment, and socio-economic developments – all areas of cooperation in the BSEC. Also, the Danube region encompasses, inter alia, the BSEC member states (Romania, Bulgaria, Serbia, Moldova, and Ukraine [the region along the Danube]); countries that have observer status in the BSEC (Germany, Slovak Republic, Czech Republic, and Croatia) and Sectoral Dialogue partners (Hungary and Montenegro). The potential for synergies in this case is significant.

- The political willingness of all the key stakeholders to be fully engaged as in the sphere of politics in the region there has traditionally been a disconnect between the declarative (i.e. political intentions) and the implementation (i.e. bureaucratic) levels. To this end, both the EU and the BSEC definitely need to ensure, especially in the case of the Synergy, what is required from them and that rewards and the promotion of an even closer cooperation will only come about if the EU, the BSEC and the states involved, especially the ones that are also

member states of the EU, show real commitment to their requisite political and economic obligations.

In conclusion, both the BSS and the EaP, albeit their aforementioned intrinsic weaknesses, represent a good start for engagement, as these initiatives have the potential in their own way to enhance the interaction between the BSEC and the EU and create positive side effects on three levels: i) the regional, by promoting economic cooperation throughout the wider Black Sea area and encouraging further confidence among the regional actors; ii) the bi-regional between the EU and the Black Sea region, by enhancing the presence of the EU in the region and bringing simultaneously the BSEC closer to the EU; and iii) the global, by emphasising interaction within global capital markets. The interaction between the BSEC and the EU needs further strengthening amid the financial crisis. In this rapidly changing context, the implementation of the Lisbon Treaty should be perceived as a great opportunity not only because it has the potential to increase the EU's foreign policy capacities – and thus the EU's policies towards the region – but also to upgrade the current interaction between the BSEC and the EU to that of a genuine partnership.

Abbreviations

BSEC	Organization of the Black Sea Economic Cooperation
BSS	Black Sea Synergy
BSTDB	Black Sea Trade and Development Bank
CMFA	Council of Ministers of Foreign Affairs
COEST	Working Party on Eastern Europe and Central Asia
CSO	Committee of Senior Officials
EaP	Eastern Partnership
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EIB	European Investment Bank
ENP	European Neighbourhood Policy
EP	European Parliament
ESDP	European Security and Defence Policy
EU	European Union
FTA	Free Trade Agreement
ICBSS	International Centre for Black Sea Studies
IFI	International Financial Institution
MEP	Member of the European Parliament
MoU	Memorandum of Understanding
NATO	North Atlantic Treaty Organization
OSCE	Organization for Cooperation and Security in Europe
PABSEC	Parliamentary Assembly of the BSEC
PCA	Partnership and Cooperation Agreement
WTO	World Trade Organization

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International Centre for Black Sea Studies (ICBSS)

4 Xenophontos Str.
10557 Athens, Greece
Tel: +30 210 324 2321
Fax: +30 210 324 2244
Email: icbss@icbss.org
Website: www.icbss.org
Director General: Dr. Dimitrios Triantaphyllou

Managing editor: Olga Borou

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