

**STATEMENT BY  
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ORGANIZATION OF THE  
BLACK SEA ECONOMIC COOPERATION (BSEC)  
PERMANENT INTERNATIONAL SECRETARIAT (PERMIS)**

**ON**

**THE RISING IMPORTANCE OF THE BLACK SEA REGION  
AND THE ROLE OF BSEC**

**AT THE**

**INTERNATIONAL SYMPOSIUM,  
“THE BLACK SEA AREA IN A CHANGING WORLD – OLD  
ISSUES IN A NEW BOTTLE”**

**AT THE UNIVERSITY OF SHIZUOKA**

*(Shizuoka, 28-30 October 2011)*

**Mr. President,  
Chairperson,  
Distinguished Participants,**

I am very pleased to be here at the University of Shizuoka on the occasion of the International Symposium on the Black Sea Area in a Changing World. I would like to express my gratitude for the excellent hospitality extended to us by our hosts, the members of the University of Shizuoka.

This Symposium demonstrates the increased interest of Japan to our region. This interest is also proved by Japan becoming a Sectoral Dialogue Partner within BSEC in 2010.

I wish to focus today on the rising importance of the Black Sea Region and the role of BSEC.

It is widely acknowledged that the international focus on the Black Sea area has been growing steadily since the end of the Cold War. I would like to mention some of the underlying reasons which played a part in this change, without observing any particular order related to their importance.

Firstly, the Black Sea area is an important region at the heart of three major continents. It is on strategic transport and trade routes and energy corridors in Eurasia.

Secondly, it has significant economic and human resources. This has enabled the Black Sea countries to have remarkable economic growth and development over the past few years, parallel to a steady increase in their share in the world economy. Today, the members of the BSEC encompass an area of approximately 20 million square kilometers with 330 million people. This can be translated as a huge economic potential. The region represents 7.6% of the overall world economy. Its GDP grew by 6% annually. Its total GDP amounts to 3.4 trillion USD.

The quest for the diversification of energy sources is another dimension of the growing profile of the Black Sea region. The region has vast energy resources. Following the events of September 11 and the wars in Afghanistan and Iraq, the search started for alternatives, in terms of energy resources, to the Middle East which has approximately 65% of the oil and 40% of the natural gas reserves of the world. The Black Sea and the Caspian Sea regions, rich in oil and gas, proved important for this pursuit.

The region has also been steadily gaining importance as a key energy supply route for Europe and the rest of the world. Just a quick glance over a map of existing and planned oil and gas pipeline projects is enough to reflect the significance of the Black Sea region as a prime energy supply route.

Another dimension of the growing significance of the region is that it is seen as Europe's final frontier on the east, with windows opening onto completely dissimilar regions, the Caucasus, Central Asia and the Middle East, requiring different policy responses.

After September 11, the fight against terrorism and the efforts to dry up the financial sources of terrorism, which are mostly linked to various forms of organized crime such as the trafficking of arms, drugs and human beings, have also increased the significance of the Black Sea region. This stems from the geo-strategic position of the region, located on one of the transit routes of trafficking and the air corridor to some of the neighboring areas in turmoil.

With the accession of Bulgaria and Romania, the EU has become a littoral of the Black Sea and its interest in furthering stability and prosperity in the region has grown even greater. (Among the countries in the region, Greece is an EU Member, Turkey is negotiating for EU membership, the Russian Federation is a strategic partner of the EU and Armenia, Azerbaijan, Georgia, Moldova and Ukraine are Partners of the European Neighboring Policy. Serbia and Albania, on the other hand, are among the countries of the Stabilization and Association Process and are potential candidates.)

Frozen conflicts in the region constitute yet other reasons for the increasing interest in the Black Sea area.

Parallel to this growing international focus, enhancing regional economic cooperation has become increasingly important for maximizing the potential that the region holds. At the heart of such cooperation lies BSEC.

When the Cold War came to an end, Turkey took the lead to launch a regionally owned initiative to help transform the centrally planned economies of the Soviet era and integrate them into the world economy. The objective was to maximize the potential of the region.

BSEC was launched in 1992 on the idea that stronger economic cooperation among the Black Sea countries would enhance peace and stability in the region. The main pillars of this initiative have been inclusiveness, transparency and regional ownership. These principles are important as they are the very principles that have ensured the prevention of creating new dividing lines in the Black Sea region as we had in the past.

In 1999, BSEC was officially transformed from an initiative into a regional cooperation organization with the entering into force of the BSEC Charter adopted in Yalta in 1998.

The BSEC Permanent International Secretariat is based in Istanbul. BSEC also has four Related Bodies — namely the Parliamentary Assembly of BSEC (PABSEC), the BSEC Business Council, Black Sea Trade and Development Bank (BSTDB) and International Centre for Black Sea Studies (ICBSS) — which deal with the parliamentary, business, financial and academic dimensions of cooperation, respectively.

The 12 members of BSEC (Bulgaria, Georgia, Romania, the Russian Federation, Turkey and Ukraine which are littorals of the Black Sea, as well as Albania, Armenia, Azerbaijan, Greece, Moldova and Serbia) vary in terms of their development level, size, population and political aspirations. We are not talking about a homogeneous group of countries. With its inclusive approach and pragmatic project-oriented vision, BSEC has brought together all these countries in a spirit of confidence and constructive cooperation.

**Mr. President,  
Honorable Participants,**

The success of BSEC depends on the concreteness and effective implementation of common projects. There are two BSEC projects of major significance. These are the Black Sea Ring Highway project and the project on the development the Motorways of the Sea in the BSEC region. They are related to the development of transport links in the region. They are expected to do much to foster intra-BSEC trade, as well as tourism, infrastructure and transport investments and economic prosperity among the countries of the Black Sea. Most importantly, they will make a concrete difference in the lives of the people of the region and bring them closer together.

The Black Sea Ring Highway project envisages a four lane ring highway system, approximately 7700 km long, to connect the BSEC Member States with each other. The project on the development of the Motorways of the Sea in the BSEC region, on the other hand, is about strengthening the maritime links among the ports of the BSEC Member States.

Besides transport, one of the areas where the potential of Black Sea economic cooperation is most visible is in the area of trade. Currently, intra-BSEC trade and investment are not at the desired level. Therefore, various initiatives have been launched within BSEC to contribute to the improvement of the trade situation. For example, BSEC has been cooperating with the United Nations Development Programme (UNDP) on this matter. Within this framework, the Black Sea Trade and Investment Promotion Programme (BSTIP) - the first joint project between the two organizations – has been launched. The project, which is co-financed by Greece, Turkey, the UNDP and BSEC, aims to develop trade and investment linkages among the BSEC Member States, with the direct participation of the business communities.

The Memorandum of Understanding on the Facilitation of Road Transport of Goods in the BSEC Region (signed in 2002 and went into force in 2006) is another concrete step taken by the BSEC countries to facilitate regional trade.

I am pleased to note that an important additional step has been taken in the sphere of road transport facilitation. Within this framework, a pilot project on the establishment of a BSEC Permit system for the road transit of goods has been launched in 2010, with the participation of seven BSEC Member States. This pilot Permit system is expected to facilitate the work of the road transporters and to contribute to trade relations among the participating countries. With this project, BSEC has become the first regional organization to issue such transit documents. Encouraged by the positive results which have been achieved, the participating states have decided to extend the duration of the pilot project for an additional year for the second time. Also, a positive decision has been taken by Turkey concerning the usage of 200 BSEC Permits only for transit by Armenian hauliers until 31 January 2012 within the framework of the pilot project.

The BSEC Agreements on Simplification of Visa Procedures for the Businesspeople and for the Professional Lorry Drivers Nationals of the BSEC Member States, signed in 2008 in Tirana, will also surely contribute to the trade cooperation among the Member States.

Another area where BSEC is active is environmental protection. The gradual degradation of the environment in the Black Sea region in the last decades is a source of grave concern. This degradation has brought about the need to undertake measures to rehabilitate, protect and preserve the environment for future generations. The reasons of degradation show that regional and international cooperation is indispensable for this.

The inflow of untreated sewage into the Black Sea is a serious threat to the population and economies. More than 170 million people live in the Black Sea basin, and the sewage of 17 countries flows directly into the sea coastal waters without any prior rectification.<sup>1</sup> This leads to public health problems and damage to ecosystems and the tourism industry.

The intensive agriculture of the past decades and the overuse of fertilizers and pesticides led to the over-fertilization of the sea with nitrogen and phosphorus compounds,<sup>2</sup> mainly through rivers. This over-fertilization, along with waste discharges from agricultural, domestic, and industrial sources, is responsible for the phenomenon of “eutrophication,” which has turned the Black Sea into an oxygen-free and asphyxiated zone. It is estimated that the six littoral countries are accountable for the 70% of these substances flowing into the water, while the remaining 30% comes from the upper Danube.<sup>3</sup> Eutrophication is blamed for the vast alterations in the Black Sea ecosystems.

Another problem is the introduction of alien species, transported via ships that empty their ballast water into the Black Sea.<sup>4</sup> These species adapt quickly in their new environment, since they have no natural predators, and they manage to displace or decrease the numbers of native populations.<sup>5</sup>

Furthermore, over-fishing leads to the exhaustion of certain species and the drastic decline of catches, creating serious economic damage in the fishing industry. It is mainly driven from poverty (and the potential of quick profit) and the international increased demand for black caviar.<sup>6</sup> This drop in fish catches is also connected to eutrophication and the sea pollution from untreated sewage and waste waters.

The inadequate management of solid waste is another pollution source in our region. This form of pollution originates either from the coastal cities or from the ships. Either way, garbage ends up on the shores creating sources of pollution and degrading the coastal zone, the rural landscape, as well as the touristically developed areas.<sup>7</sup>

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<sup>1</sup> Natia Bejanidze and Mariam Kekenadze, “The Black Sea Coast Sewage: Both an Ecological Problem and a Profit,” [http://www.inepo.com/english/uplFiles\\_resim/Compositetechnologyproject.doc](http://www.inepo.com/english/uplFiles_resim/Compositetechnologyproject.doc).

<sup>2</sup> Laurence D. Mee, “How to save the Black Sea: Your guide to the Black Sea Strategic Action Plan,” <http://www.undp.org/gef/new/blacksea.htm>.

<sup>3</sup> Ibid., 2.

<sup>4</sup> Ibid., 3.

<sup>5</sup> ICBSS Policy Brief No.21, November 2010, Greening the Black Sea: Overcoming Inefficiency and Fragmentation through Environmental Governance, by Zefi Dimadama and Alexia Timotheou.

<sup>6</sup> Nicolas Tavitian et al., Greening the Black Sea Synergy (Brussels: WWF-World Wide Fund for Nature and Heinrich Böll Foundation EU Regional Office in Brussels, June 2008).

<sup>7</sup> ICBSS Policy Brief No.21, November 2010, Greening the Black Sea: Overcoming Inefficiency and Fragmentation through Environmental Governance, by Zefi Dimadama and Alexia Timotheou.

We need to ensure that not only future generations will survive on this planet, but the earth itself will survive to offer a place for living to these generations. The planet can survive without humanity, but not vice versa. By imposing pollution taxes, pollution will not disappear. The planet does not function according to our economic strategies. Earth does not accept money to clean itself. It is us the passengers who must do it, without taking into account economic considerations.

Within this framework, exchange of scientific and technical information, increasing public awareness and incorporation of environmentally friendly approaches in economic development, with particular attention to the promotion of innovative and resource saving technologies, comprise priorities for BSEC.

Currently, BSEC Members are discussing the modalities of establishing an information exchange mechanism for environmental protection. There is also an ongoing study on the possibilities of strengthening cooperation with other organizations, institutions and partners on issues related to the protection and rehabilitation of the Black Sea marine environment.

Learning to live with climate change is an absolute priority for humanity. The BSEC Council of Ministers of Foreign Affairs, in its meeting in Thessaloniki in November 2010, adopted a Joint Declaration on Combating Climate Change in the wider Black Sea Area. This was the contribution of BSEC to the Cancun Conference in December 2010. Also, a project on introducing climate change in the environmental strategy for the protection of the Black Sea will be soon launched, jointly with the UNDP.

Complementing our stance on environmental protection, green energy and supporting projects that promote sustainable energy development are priorities for BSEC.

In energy cooperation, another main priority for BSEC is to ensure the stability and security of energy supplies by developing a BSEC regional energy strategy and a 2020 strategy. BSEC is also committed to efforts towards ensuring the integration of the energy markets of BSEC and the EU by developing a joint BSEC-EU Plan of Action in energy and encouraging cooperation with the Energy Community.

Another area of focus of BSEC is the human dimension of sustainable development. Our Organization tries to serve as a catalyst to ongoing activities on migration management and combating human trafficking.

As far as migration management is concerned, migration is an essential and inevitable component of the economic and social life of every state. If managed properly, migration can be beneficial for both individuals and societies. A joint project on migration management has been conducted with the International Organization for Migration (IOM) on formulating migration policy recommendations for the BSEC Member States to prevent irregular migration flows and simultaneously facilitate legal ones.

Human trafficking, on the other hand, is a crime which, by nature, has a transnational character and is highly damaging to human security and sustainable development. The challenge for all countries, rich and poor, is to target the criminals who exploit desperate

people and to protect and assist victims of trafficking and smuggled migrants, many of whom endure unimaginable hardships in their bid for a better life.

Unfortunately, the Black Sea region is a major source of and transit and destination for the trafficking of women, men and children for the purpose of commercial sexual exploitation and forced labor. According to the United Nations Office on Drugs and Crime (UNODC) database on global human trafficking patterns, human trafficking affects all BSEC Member States.

BSEC has agreements among its Member States on cooperation in combating organized crime. BSEC, IOM, UNODC and many other relevant bodies in the region are cooperating to fight human trafficking which is one of the most prevalent forms of organized crime in the Black Sea area.

BSEC, together with the UNODC, launched a regional project on strengthening the criminal justice response to human trafficking in the Black Sea region. Within this framework, a Regional Action Plan was jointly devised. Along with its policy development and capacity building aspects, the Action Plan gives special consideration to three basic elements in fighting human trafficking — namely, prevention, protection and prosecution.

Fighting corruption is another goal for BSEC. Corruption endangers economic and social development, justice, democracy and the rule of law. Transparent and accountable governance, uncompromising to corruption, is what is needed everywhere.

In this context, the Ministers of Interior of the BSEC Member States adopted a Joint Declaration on Regional Efforts on Preventing and Combating Corruption in April 2011, in Bucharest. The Declaration envisages the elaboration of a BSEC Action Plan to prevent and combat corruption, increase public awareness and promote ethical behavior. The Action Plan is expected to facilitate the development of a network among the national bodies mandated to enforce anti-corruption measures.

I have only summarized some of the most vivid examples of the added value of BSEC to our regional cooperation. Today, BSEC has become a project-oriented organization which serves as a forum for cooperation in a wide range of areas. In addition to trade, transport, environmental protection, energy, migration and combating organized crime, these areas include economic development, communications, education, culture, tourism, science and technology, healthcare, good governance and customs services. A lot has been done and is currently underway in these spheres. This fosters the spirit of cooperation in our region.

The Russian Federation has assumed the Chairmanship-in-Office of BSEC as of 1 July 2011, for a term of six months ending on 31 December 2011. During this period, the Russian Chairmanship has envisaged to implement a comprehensive calendar of events which is expected to enhance BSEC cooperation in a number of areas. Among the high level events, in addition to the Meeting of the Council of Ministers of Foreign Affairs planned for December 2011, the Informal Meeting of the Ministers of Foreign Affairs on the sidelines of the United Nations General Assembly general debate, as well as meetings of the Ministers of Transport, Emergency Assistance and Agriculture have been organized.

The priorities of the Chairmanship constitute the roadmap for BSEC for the period that we are in. In this framework, the BSEC Economic Agenda for the Future which was adopted back in 2001, will be revised and updated, so that it meets the requirements of the current state of affairs in the BSEC region. This document will constitute a solid basis for the discussions during the 20<sup>th</sup> Anniversary Summit of BSEC in 2012.

The Russian Chairmanship will focus on enhancing the economic efficiency of BSEC activities through more intensive implementation of the existing projects. In this context, progress has been achieved in the implementation of the Black Sea Ring Highway project. The development of an integrated energy market in the region will also be further pursued.

Environmental protection, strengthening cooperation among law enforcement agencies, improving collaboration capacities in emergency situations, further enhancing cooperation in the areas of transport, agriculture, quality control and safety of medical products, sanitary protection of the territories of the BSEC Member States, information and communication technologies and social exchange through tourism projects constitute other priorities for the Chairmanship.

The enhancement of relations between BSEC and other regional and international organizations, including the specialized agencies of the United Nations, will be promoted. More involvement of the Observers in the BSEC process will be sought. Building partnerships between BSEC and the EU on the basis of equality and mutual benefit in the implementation of projects of importance to the Black Sea region constitutes another objective.

**Mr. President,  
Chairperson,  
Distinguished Participants,**

BSEC is viewed by the international community as an anchor of cooperation in the Black Sea area today. Germany, Austria, France, Italy, Poland, the Czech Republic, Slovakia, Belarus and Croatia, as well as non-European countries such as the United States, Egypt, Tunisia and Israel have Observer status in BSEC. The UK, Hungary, Montenegro, Iran, Jordan, Japan, Slovenia and the Republic of Korea, on the other hand, as well as various regional organizations, have Sectoral Dialogue Partnership status.

The European Commission is also an Observer in BSEC. A partnership in the area of environment has been launched in 2010, while partnerships in transport and energy are being considered. Unfortunately, as far as the implementation of the Black Sea Synergy is concerned, no progress has been achieved. The European Parliament submitted to the Council of Ministers and to the European Commission a resolution concerning a Black Sea Strategy for implementation. This initiative, if implemented, could be more effective than the Black Sea Synergy and it also anticipates a more enhanced role of BSEC with the EU. So, we should aim at revitalizing the Black Sea Synergy, while at the same time, we should work together with the EU for the finalization of the Black Sea Strategy. We shall see what the outcome of our efforts will be and hopefully our relations with the EU can become more enhanced and beneficial for our peoples.

BSEC, which has Observer status in the UN General Assembly, has very close and fruitful working relations with the UN system and its specialized agencies.

The BSEC Permanent International Secretariat maintains a close relationship with the Office of Economic and Environmental Activities of the OSCE through exchange of information on activities, as well as participation in events.

As far as BSEC-Japanese relations are concerned, I am pleased to inform you that the contacts between the two sides are steadily developing.

Even before being granted Sectoral Dialogue Partnership status in July 2010, Japan had shown active interest in cooperating with BSEC. In this context, it has organized three “Japan-Black Sea Area Dialogue” meetings in Tokyo, inviting officials and academics from the BSEC Members States and the representatives of the BSEC Permanent International Secretariat. The third took place in 2010.

Direct contacts have been established between the BSEC Permanent International Secretariat (PERMIS) and the Japan International Cooperation Agency (JICA). BSEC Member States and the BSEC PERMIS have attended the Workshops on Energy Efficiency held annually in Ankara during the 2007-2009 period, organized by JICA, the General Directorate of Electrical Power Resources Survey Administration (EIE) and the Turkish International Cooperation and Development Agency (TIKA).

Within the framework of enhanced relations between BSEC and JICA, BSEC participated in and actively supported the Joint Workshop on “How to Implement Energy Management Standards in BSEC Countries” which was organized by JICA, EIE and TIKA in Ankara and at the BSEC headquarters in Istanbul, in March 2011. The workshop provided a framework for valuable exchange at the expert level regarding standards of energy management and highlighted the useful role BSEC can play in promoting cooperation on energy issues among the countries of the region. It also constituted BSEC’s first joint project with Japan.

The BSEC Council of Ministers of Foreign Affairs has taken a decision at its meeting in Sofia in 2010, which encourages Japan to organize a meeting of the relevant Japanese business organizations with the representatives of the business communities of the BSEC Member States on issues related to Japan-BSEC business cooperation. We hope for such a meeting to be organized in the nearest future.

Japan has expressed interest in cooperating with BSEC on green development. We look forward to this cooperation. Green development is interrelated with planetary environmental protection. In this context, supporting projects that promote sustainable energy development is also a priority for BSEC. Human greed has exhausted, in a split second of astronomical history, the energy savings of billions of years of energy conservation made by the planet. Consequently, we must immediately start reducing this exploitation in a significant way if we are to survive. Operating on our vast daily energy income from the sun, wind, tide and water is considered to be the best solution. I am pleased to note that BSEC’s capabilities to finance projects in renewable energy sources and energy efficiency through the BSEC Project Development Fund and BSEC-Hellenic

Development Fund – the two financial instruments of the Organization – have been enhanced.

**Esteemed Participants,**

The importance of the Black Sea is on the rise. There is every reason to believe that this trend will continue.

Preserving security and stability in the region is of great significance. Today’s threats and challenges differ from those of the past. In the past, the concept of security meant the prevention of conflict and war between states. Today, the international community is faced with the new security threats and challenges which not only threaten the security of states, but also human security, therefore requiring urgent action. To name a few, these include poverty, contagious diseases such as HIV/AIDS, environmental degradation, climate change, internal violence and conflicts, terrorism, transnational organized crimes, human trafficking, corruption and the proliferation of nuclear and chemical weapons.

The Black Sea could have easily deteriorated over the last decade into a conflict zone. Instead, it has been a region of fairly sustainable cooperation. The work and mechanisms of BSEC address many of the new threats and challenges to security.

Frozen conflicts in the region, to a certain extent, do pose an obstacle to the BSEC cooperation process. BSEC has not tackled the frozen conflicts in the region, since it is not empowered to do so by its Charter. Nevertheless, BSEC does serve as a useful forum where even the representatives of Member States that do not have diplomatic relations or have serious bilateral political or other problems, meet together. Also, BSEC cooperation in the fields of culture, tourism, transport infrastructure projects, institutional renewal and good governance, border controls, customs procedures and combating organized crime and terrorism all contribute, whether directly or indirectly, to the strengthening of security and stability in the region.

In conclusion, an important responsibility rests with BSEC, which is the only full-fledged and the most inclusive cooperation organization in the Black Sea area today. Increased cooperation in the Black Sea region through BSEC mechanisms not only generates economic benefits, but also contributes to building confidence and reducing persisting bilateral tensions. This, in turn, consolidates stability and security in the region, which is the common interest of the Black Sea area, the Eurasian region and the international community.

I wish to thank once again the University of Shizuoka for organizing this Symposium, which has enabled us to focus on this very important region.

Thank you.

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