

MC.DEL/13/06
4 December 2006

ENGLISH only

**WRITTEN CONTRIBUTION BY
AMBASSADOR LEONIDAS CHRYSANTHOPOULOS,
SECRETARY GENERAL OF THE
ORGANIZATION OF THE
BLACK SEA ECONOMIC COOPERATION (BSEC)
PERMANENT INTERNATIONAL SECRETARIAT (PERMIS)**

AT THE

14TH MEETING OF THE OSCE MINISTERIAL COUNCIL

(Brussels, 4-5 December 2006)

About the BSEC Organization

The Organization of the BSEC was created in 1992 to seize the emerged opportunities after the break-down of the socialist block and to facilitate through regional cooperation, the process of consolidation of national economies of the new independent states and their integration into the regional and wider international economy. Since then BSEC has evolved into full-fledged regional organization with parliamentary, business and academic dimensions of cooperation, as well as the Black Sea Trade and Development Bank (BSTDB) as its financial pillar and the Permanent International Secretariat as a major Coordinating unit. It should be emphasized that the OBSEC is the only full-fledged regional organization in this vast and strategically important area with developed mechanisms and instruments of cooperation, diverse institutional framework and distinct regional identity.

Scope of activities within the OBSEC embraces 17 areas of cooperation including such key fields as transport, energy, trade and investment, tourism, environmental protection, science & technology, combating organized crime, good-governance, education and others. The BSEC Council of Ministers in Moscow decided to expand our activities also in the field of culture.

Let me now draw your attention to the most important recent developments in key areas of cooperation in the BSEC.

On Memoranda in Transport

The Moscow Meeting of BSEC Council on 1 November 2006 made history by approving a *Memorandum of Understanding for the coordinated development of the Black Sea Ring Highway (BSRH)* and *Memorandum of Understanding on the Development of the Motorways of the Sea at the BSEC region*. It is the first time in the history of BSEC that projects of such magnitude have been adopted. Both projects will change the life of the citizens of BSEC, thus making our Organization relevant to them. The first project will bring economic development to the region, by facilitating the overland transport of goods within BSEC from Europe to Asia and vice-versa, and by promoting tourism. The second project will make the Black Sea smaller, by creating the necessary infrastructure for better connecting the Black Sea ports and the Black Sea with the Mediterranean and the Caspian Seas.

It will also further develop economically the region by facilitating transport of goods and also promotion of tourism. These two projects further promote BSEC in the international scene; since they demonstrate that at last we are doing something, at last BSEC is executing projects of interest to Europe and Asia.

We believe that these projects will be integral and important parts of the TENs and of the East-West transport corridor. And we are open and looking forward to close cooperation in their implementation with all interested parties, including the OSCE.

Cooperation in Energy

In implementation of the provisions of Baku and Alexandroupolis Declarations of the BSEC Ministers of Energy adopted in 2003 and 2005 respectively, with a strong political will towards enhanced cooperation in the field of energy, BSEC Ministers of Energy at their meeting in Sochi (Russian Federation) on 27 September, instructed BSEC to finalize by next autumn a comprehensive overview on the state of affairs in energy in the BSEC region based on the national energy strategies and on new developments in the region. We believe that the study will be a first and important step in facilitating our cooperation in energy towards the development of an integrated regional market as a part of the wider European energy networks.

Projects with OECD, OSCE and UNDP

The BSEC Council held on November 1, in Moscow has approved two important projects with OECD, OSCE and UNDP. Their importance stems from the fact that they will focus and address most important issues for regional cooperation/development in BSEC and the main objective of our joint efforts to stimulate intra-regional trade and attract investment to boost economic cooperation, development and prosperity in our region.

Issues of cross-border cooperation, improvement of business environment and promotion of the region as an attractive hub for investments are among major objectives of these projects. Through their implementation we also intend to enhance institutional and professional capacities and capabilities of BSEC. Apart from its Ministers strong support, Greece, Romania and Turkey have pledged substantial financial contributions to the projects. The Project with the UNDP has now entered into the implementation phase after the signing between BSEC and the UNDP on 1 December 2006 at BSEC Headquarters of the relevant agreements.

BSEC-EU interaction

In the context of the above, BSEC-EU interaction is of particular importance and significance. The upcoming accession of Bulgaria and Romania to the EU will bring the EU to the shores of the Black Sea.

During the last six months significant progress was achieved as far as BSEC-EU interaction is concerned. We are engaged in the process of a close dialogue. The necessity for a more enhanced relationship between BSEC and the EU aiming at coordinating the EU actions and programs in the region, particularly in the high priority sectors of transport, energy, environmental protection, infrastructure, as well as of combating organized crime has been discussed at the General Affairs Council on September 14. We would like to use this opportunity to express our gratitude to the Hellenic Authorities and personally to the Minister of Foreign Affairs of the Hellenic Republic for their constant support of BSEC in this process.

The European Commission assured that the proposal of the Hellenic Republic would be taken into consideration within the framework of the forthcoming amendment of the European Neighborhood Policy (ENP). The fact that BSEC was discussed at Ministerial level by the EU, demonstrates its initial political will to enhance relations with our Organization. The climate in the EU has very recently changed towards BSEC in a favorable way.

We have the feeling that BSEC-EU relations are at last beginning to move forward. In a few days the Commission will publish its revised ENP policy and we remain confident that BSEC will be covered in an adequate and practical way mentioning in detail the potential benefits of an enhanced role of the EU with BSEC. In March or April, the Commission will submit to the Council its new Communication on regional cooperation in the Black Sea region. Consequently, the BSEC Istanbul Summit of next June could also inaugurate a new era in BSEC-EU relations, an era of enhanced relations mutually beneficial to both sides. And it is to the interest of both sides if we can achieve this objective.

On BSEC Reforms

In a rapidly changing world, BSEC, as other international organizations, is embarked on the process of reform and restructuring to make the organization fit its environment and be relevant to the needs of the peoples and countries of the region.

In the Joint Statement adopted in Moscow on 1 November BSEC Ministers of Foreign Affairs expressed their political will and commitment to proceed with the process of increasing the effectiveness of the Organization.

The process aiming at reforming and restructuring BSEC in order to increase its effectiveness is among top priorities of the incumbent Serbian Chairmanship. We are confident that under current Serbian and then Turkish Chairmanships we will succeed in finalizing the ongoing process of the strengthening of BSEC and enhancing its efficiency and eventual transformation it into an even more important and significant regional organization.

BSEC on the eve of 15th Anniversary Summit

BSEC is heading towards its 15th Anniversary stronger than ever in its history. We are moving forward. We do see progress and we are heartened by what we see. We have started at last to produce major infrastructure projects. Our visibility has been enhanced, international organizations and third countries are becoming interested in us. For the first time in our history we have concluded common projects with the UNDP and OECD that would increase investments and the economic development of our region. The World Health Organization has also declared its interest to start contacts with us. More states are applying for Observer status. With the adoption and implementation of the reform package, BSEC will start flourishing. And that should be the objective of the Istanbul Summit. We are confident that an enhanced BSEC will be an important regional partner in promoting and strengthening peace, security and stability on the wider European space.

Let us conclude this contribution by welcoming the new OSCE Presidency – Spain and wishing it every success in realization of their objectives. We can assure it of our continued support of and close cooperation in the OSCE's relevant activities.
