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LEGAL AND POLITICAL AFFAIRS COMMITTEE

REPORT*

**ROLE OF THE PABSEC IN ENHANCING COOPERATION IN
THE BLACK SEA REGION – CHALLENGES AND PROSPECTS**

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I. INTRODUCTION

1. The Forty-First Meeting of the Legal and Political Affairs Committee in Brussels on 25 April 2013 evaluated the process of the Black Sea Economic Cooperation from the point of view of the twenty years' experience of the regional cooperation. During the discussions it was noted that the countries of the Region need to strengthen the synergy in the process of achieving the higher degree of regional cooperation given due regard to the fact that the wider Black Sea region is an important crossroads for the transport, energy and trade routes. Within this context, it was decided to include in the agenda of the Forty-Second Meeting of the PABSEC Legal and Political Affairs Committee the issue on the "Role of the PABSEC in enhancing cooperation in the Black Sea region - challenges and prospects" with a view to elaborate the Report and the Recommendation to be submitted to the Autumn Forty Second Plenary Session of the PABSEC General Assembly in Tbilisi.
2. Although the national delegations did not forward any contribution for the Report and Recommendation many issues raised in the Report are taken from the speeches made by the Heads of the National Delegations at the Extraordinary Meeting of the PABSEC Standing Committee in Istanbul on 26 February 2013 marking the Twentieth Anniversary of the establishment of the Assembly. At the same time, the additional material was obtained by the PABSEC International Secretariat from the official sources of the BSEC bodies and other web-sites.
3. 20 years is really a historic period. This is the period during which many issues are sifted out and great experience of cooperation and interaction remains that belongs to all the peoples in the region and the Black Sea and which paves the way towards a better future. There is no doubt that in these twenty years there were many changes that are to be taken into account and that are to be envisaged. 20 years is also a landmark in the history of our Assembly when we have to precisely answer the question "what we did" and to identify "what we have to do" in order to open up new prospects and opportunities for the better future.
4. The present Report can be considered as a continuation of the Report presented by Mr. Yilmaz at the Sofia General Assembly on "PABSEC in the Wider Black Sea Region: 20 Years of Regional Cooperation" and as an evaluation of the progress achieved until today as well as an attempt to eliminate the still prevailing gaps in implementation of the common decisions. The document also notes the tasks at local, national, regional and international levels in the context of new and emerging challenges. The report highlights the need for further enhancement of economic cooperation in the Black Sea region through the use of available possibilities and resources as well as by creating mutually agreed favorable conditions in order to ensure the effective participation of all the countries and parties in the process of strengthening cooperation in the BSEC region.

II. ROLE OF THE PABSEC IN ENHANCING COOPERATION IN THE BLACK SEA REGION - CHALLENGES AND PROSPECTS

5. The Extraordinary Meeting of the PABSEC Standing Committee on the occasion of the Twentieth Anniversary of the Establishment of the Parliamentary Assembly of the Black Sea Economic Cooperation dedicated to "the PABSEC - Past Experience and Future

Prospects” was held in Istanbul on 26 February 2013 with the participation of the representatives of the leadership of the Verkhovna Rada of Ukraine and the Senate of Romania, as well as the Heads of the PABSEC National Delegations, the National Coordinator of the Ukrainian BSEC Chairmanship-in-Office, Secretary General of the BSEC Permanent International Secretariat, the members of the PABSEC International Secretariat and the representatives of the diplomatic corps.

6. At this meeting it was stressed that during the 20 years of its existence the Assembly has been successfully achieving the goals and objectives set forth in the Declaration on the Establishment of the PABSEC, and has been making the important contribution to enhancement of multilateral economic, social, cultural and political cooperation in the BSEC region. It was noted that twenty years of activity has demonstrated the ability of the Assembly to serve the needs of the region and that today the PABSEC has a special place, being not only a democratic forum for interparliamentary dialogue, but also contributes to the strengthening of friendly relations and mutual respect. It was also underlined that the further development of political dialogue within the framework of the PABSEC will promote mutual understanding between the states and the peoples in the Black Sea region.
7. The Black Sea Economic Cooperation, activities of which is aimed at the turning the Black Sea into the sea of peace, stability and prosperity is an instrument of mutual cooperation and dialogue on wide range of issues and initiatives for its member states. The growth of mutual economic relations is gradually making the states more open to the intensification of political and economic cooperation thus contributing to the establishment of prosperity, lasting stability and mutual trust, opening up the opportunities for reconciliation and narrowing the prospects of confrontation.
8. In today’s global economy the integration processes that are developing in almost every regions of the world constitute the cooperation between the states with the aim to create favorable conditions for each other and to facilitate and promote intra-regional processes for smooth movement of goods, services and economic resources. The integration processes are a reflection of the overall process of forming increasingly interconnected economies, acquiring in some areas and sectors truly globalised nature. At the same time, the contemporary global economy is a complex and mobile system that undergoes constant change. It is also important to mention that in the context of globalization the stakeholders in the global economy are not only individual countries or integration of countries, international economic organizations and international corporations, but also small and medium-sized companies that are involved in the system of international economic relations.
9. Integration always implies certain goals that become topical in the process of bringing together the countries. On the basis of the common economic interest in the Black Sea region, the politically different countries have established effective mechanism of cooperation based on the advantages of geographical proximity, huge potential and broad prospects for cooperation relationship. This cooperation, stimulating the growth of trade and investment, has set a target of removing barriers to the movement of capital, goods and services and free movement of people in the region, as well as the construction of effective cooperation on the basis of the historical community of nations and peoples of the region.

10. The Organization of the Black Sea Economic Cooperation has gradually established a set of necessary mechanisms and framework of the arrangements that duly ensure sustainable development of economic and trade relations, deepening of contacts, intensification of multilateral cooperation in various spheres of life and the capacity building. These achievements create foundation to look more optimistically to the prospects of the enhancing of cooperation in the region in spite of some existing problems and contradictions.
11. Since the very beginning of the launching of the Black Sea Economic Cooperation quite often the issue of strengthening of regional cooperation and regional integration was referred at all levels. There were many proposals for the establishment of regional advantages in the markets for goods, services, capital and labor with the aim to ensure more dynamic development of the national economies and increasing of competitiveness in a global environment. From the very first meetings the issues like simplification of visa regimes and the establishment of a free trade area were raised that have not lost their topicality even up to the present day.
12. The BSEC Economic Agenda towards an Enhanced BSEC Partnership, which was adopted by the Heads of States and Government of the BSEC member states in Istanbul on 26 June 2012 is a roadmap document for the next ten years and outlines the framework for joint action that is needed to give new impetus to regeneration of the economic cooperation in the region with more new initiatives and concrete projects.
13. The main priorities of the Economic Agenda are: pursuing sustainable development; strengthening the project-oriented dimension of the BSEC Organization; cooperation with international and regional organizations and institutions; intensifying intra-regional trade and investment; cooperation among the customs and border crossing administrations; establishment of efficient transport network; sustainable energy; environmental protection; food security and safety; healthcare; tourism and protection of cultural heritage; sustainable development of SME sector; closer cooperation in the field of banking and finance; information society; exchange of economic and statistical data; education; good governance and the rule of law; combating organized crime, terrorism, corruption; cooperation in emergency situations; etc. The Economic Agenda for the future constitutes a deep shared conviction and a strong commitment of the member states to set up a roadmap in order to reach efficient solutions to the problems of common concern. Mutually supportive efforts of the member states further enhance economic cooperation in the region and lay down the foundation for stability, social cohesion and overall progress.
14. The Document stresses that “in twenty years, BSEC has become the most inclusive and comprehensive organization in the wider Black Sea area. Today, BSEC, consisting of 12 Member States and having 17 Observers and 17 Sectoral Dialogue Partners, is a solid institution with a Permanent International Secretariat and four Related Bodies, namely, the Parliamentary Assembly of the Black Sea Economic Cooperation (PABSEC), the BSEC Business Council (BSEC BC), the Black Sea Trade and Development Bank (BSTDB) and the International Centre for Black Sea Studies (ICBSS). The Member States are determined to make use of the great potential of the Organization as a platform of dialogue to play a more proactive, effective and constructive role in promoting the common goal of a peaceful, stable and prosperous BSEC Region to the interest of all stakeholders in the spirit of partnership and entrepreneurship. For this, a new vision and

framework for joint action is needed to give new impetus to economic regeneration in the region for the next ten years. Taking into account the developments that have taken place since the establishment of the BSEC both inside the Organization itself and in the broader international environment, including the EU enlargement process and the new challenges in the region, the Member States reiterate their commitment to enhance the economic mission of BSEC and implement the BSEC Economic Agenda.”

15. The 27th Meeting of the Council of Ministers of Foreign Affairs of the Organization of the Black Sea Economic Cooperation (BSEC) in Istanbul on 15 December 2012 adopted the document titled “The Way Forward for an Action Plan on the Implementation of the Economic Agenda towards an Enhanced BSEC Partnership”. This document emphasizes the need to increase the collective efforts of the member states, the Working Groups and the Permanent International Secretariat in ensuring the effective implementation of projects and programs that are identified for the medium term with a more result-oriented approach and well-defined time-frames.
16. The process of economic integration is complex and adverse, as the specific forms of interaction is determined by the level of economic development of the member states, as well as by their participation in other groupings. In this respect, the BSEC region is rather heterogeneous according to the levels of national economic development, pace of economic growth as well as social, cultural and historical factors and involvement of the member states in other regional cooperation schemes.
17. It should also be noted that the balance of political and economic factors at different stages of development of cooperation is changing and this is determined not only by economic but also by political reasons. The main reasons for the slowdown in pace of the economic cooperation in the Black Sea region are the existing territorial and ethnic conflicts. However, it should be noted that the BSEC region is undoubtedly a unique in terms of its ability to promote the economic cooperation and to contribute to the establishment of good neighborly relations and the stability in the region as a whole. The model of the economic cooperation helps in reducing political tensions while resolution of political problems stimulates the process of integration.
18. The development of regional economic cooperation brings an effective contribution to the strengthening of trust and friendly relations among the countries on the basis of mutual promotion of common values and interests. Strengthening of public institutions, good governance, the rule of law, an efficient market economy, improving the environment for trade, investment and development of the private sector facilitate wider and more resolute implementation of the joint programs and projects. It is in this context that the Black Sea Economic Cooperation the activities of which is aimed at turning the Black Sea into an area of peace, stability and prosperity is a real tool for enhancing the dialogue and cooperation on a wide range of topical issues.
19. The Black Sea countries have repeatedly stated their desire towards achievement of higher degree of regional cooperation and further integration into the wider European and global space. The dynamic process of the BSEC, through its mutually supportive inter-governmental, interparliamentary, banking, business and academic dimensions is a useful tool for seeking solutions to the complex and challenging problems of modern times.

20. Aiming at the strengthening of mutual trust, friendship and good neighborhood between the member states, the BSEC continues to support the development of multidisciplinary cooperation in order to maintain and promote peace, security and stability in the region. The organization is actively engaged in such topical and at the same time complex issues as the fight against drugs and arms trafficking, other transnational crimes and illegal migration; promotion of effective regional cooperation in environmental protection, culture, science and technology, education, energy, transport and other areas; promotion of overall and balanced economic growth, social and cultural development in the region through the joint actions towards the steady rise of living standards and improvement of living conditions of the peoples in the member states; and other topical areas of common interest.
21. Ensuring coherence and balance of the overall work and creation of a common system of mechanisms focused on the achievement of the identified goals and objectives substantially contributes to the improvement of the effectiveness of the activities. An important role is also played by the permanent control over the implementation of the outlined tasks and adopted decisions. The individual efforts by the member states along with the collective efforts within the spirit of mutual support contribute to the further enhancement of multilateral cooperation in the region.
22. Adequate internal policies and a sound institutional environment have strong influence upon the successful economic development. The reforms carried out within the countries coupled with the measures for promoting the regional integration paves the way towards the improvement of the economic situation and the greater synergy and prosperity, which in its turn promotes peace, harmony and good neighborly relations. Mobilization of the forces and resources ensures creation of a framework for coordination and harmonization of initiatives at the regional and international level as well as further integration into the European and world structures.
23. Being an essential part of the European space, the BSEC region has to seek for its due recognition by the European Union and through the joint efforts of the BSEC, the PABSEC and other related bodies has to seek for institutionalized relations between the BSEC and the EU and the PABSEC and the European Parliament. The EU enlargement towards the East and the growing interest shown by the EU towards the Black Sea region has provided a powerful incentive for consolidating regional cooperation and coordination.
24. The Istanbul Summit Declaration on the Occasion of the Twentieth Anniversary of the Organization of the Black Sea Economic Cooperation adopted by the Heads of State and Government of the BSEC member states in Istanbul on 26 June 2012 recognizes that the main pillars of BSEC have been all inclusiveness, transparency and regional ownership and through its commitment to enhanced dialogue and pragmatic approach, BSEC has brought together its Member States with different political, economic and social characteristics in a spirit of confidence and constructive cooperation. The Document also stresses the rising importance of the wider Black Sea area in international affairs given its strategic location on key trade, transport and energy routes. It also states the conviction that the multilateral economic cooperation is an important contribution to enhancing peace, stability, security, dialogue and prosperity in the region to the benefit of the peoples in the region.

25. It is important to concentrate special efforts in the framework of the BSEC on the concrete priority projects, including first of all the development of a Black Sea Ring Highway, the resumption of the regular passenger ferries between the Black Sea ports and the realization of the project of the Black Sea Electricity Ring project. The progress achieved until today in implementation of major BSEC projects in the infrastructure sphere inspire us with the confidence for the further attainments of the outlined objectives.
26. Noting the progress achieved in some promising directions of cooperation it is necessary to note the difficulties and challenges of regional cooperation that were aggravated in the context of the global financial and economic crisis threatening the achievement by all the countries of the goals of the sustainable development. To this end, it is very much important that the countries in the region continue to successfully carry out the tasks set forth in the statutory documents of the Organization. It is also important to overcome the problem of slow pace of launching existing and potential mechanisms of cooperation caused by the complex process of decision-making and reaching of common agreement. It is in our common interest to improve the efficiency of the BSEC activities towards the achievement of further prosperity of the peoples and strengthening of the economic and social development of the region.
27. It is extremely important to increase the level of coordination and cooperation between the BSEC, the Parliamentary Assembly of the BSEC (PABSEC), the BSEC Business Council (BSEC BC), the Black Sea Trade and Development Bank (BSTDB) and the International Centre for Black Sea Studies (ICBSS). Given the important role and potential of each of these institutions on the basis of their well-established and diverse experience, expertise and capacity, it is important to duly set the mechanisms for uninterrupted exchange of information and knowledge on the issues of cooperation and coordination in order to ensure effective initiation and achievement of the common goals.
28. National parliaments are bringing their valuable contribution to the achievement of the objective of turning the Black Sea into the sea of stability and prosperity by channeling the efforts of the interparliamentary cooperation in the PABSEC framework towards the improvement of the political climate, enhancement of dialogue and solidarity in the region. The regional framework will further continue to complement the concrete action at the national level with the aim to achieve the common goals of cooperation.
29. The key to successful cooperation within the PABSEC framework is continual adherence and ongoing commitment to the “spirit of the PABSEC”, which maintains the atmosphere of mutual trust, mutual consultations and viable solutions based on a common consensus. This atmosphere is an invaluable achievement of the countries of the region during the many years of their fruitful cooperation and which is going to be strengthened and invigorated in the years to come.
30. The parliament and the Parliamentary Assembly face the very important challenge to promote legislative changes, synergy and cohesion for the achievement of the sustainable economic growth and regional integration in the Black Sea region and in each individual member state as well as for the establishment of a strong and vibrant civil society as a solid foundation for the political stability in the region.

31. The Assembly has to strengthen its efforts to enhance the democratic reforms at the local and regional levels, the further improvement of national legislative systems and the promotion of the development of proper mechanisms ensuring multilateral cooperation towards establishing peace and prosperity in the Black Sea region meeting the aspirations of the countries and peoples in the region.
32. The Assembly has to become more active in expressing its support to new initiatives and in promoting adoption of the new laws and multilateral agreements envisaging implementation of the commitments and principles enshrined in the Declarations of the BSEC Summit meetings, the Charter of the Organization of the Black Sea Economic Cooperation and the Declarations of the Parliamentary Assembly.
33. It is necessary to take due efforts for achieving greater coherence and coordination with the BSEC in drawing up the respective agendas in order to ensure that the issues and projects discussed within the BSEC may be complemented by the initiatives of the PABSEC. It is also important to ensure appropriate accountability of the member states in reinforcing cooperative efforts to promote synergies and coherence.
34. The PABSEC has initiated many interesting undertakings during the past twenty years like the Children and Youth Festival of the BSEC Member States “Golden Ferry”, the Meetings of the Public Television Broadcasters from the BSEC Member States, the Forum of the Presidents of the Constitutional Courts of the BSEC Member States and the Conference of Ombudsmen of the BSEC Member States. In the last years the PABSEC has supported the organization of the business forums parallel to the PABSEC General Assemblies. At the same time the PABSEC initiated the cooperation among the governors and mayors of capital cities of the BSEC member states with the aim to pool the expertise of local authorities in order to make more efficient contribution to the attainment of the goals and objectives. All these initiatives are directed towards bringing together the different components of the process of the Black Sea Economic Cooperation.
35. Parliamentarians, through their participation in regional and international parliamentary organisations have to bring their contribution in safeguarding security and stability through closer cooperation. In this respect, active interaction of PABSEC and its member parliaments with the European parliamentary organizations like European Parliament, NATO PA, OSCE PA, PACE, IPA CIS etc. will undoubtedly pave the way towards more constructive contribution to joint efforts for continuous enforcement of cooperation.
36. It is very important to concentrate not only on setting up of the necessary international mechanisms of coordination and implementation of the adopted decisions but also on the development of mechanisms for monitoring the process of implementation of the adopted decisions and more comprehensive realization of the Assembly recommendations, which create the basis for the further improvement of cooperation and achievement of better results. It is also necessary that the national delegations ensure the collective action of all countries in elaboration and agreement of draft documents, as well as necessary accountability being conscious of the importance of the contribution of each particular country to the achievement of the common goals.
37. The PABSEC has to continue further study of the national legislation with a view to eliminate or adapt certain provisions that hinder the process of shaping the necessary

legal framework for the implementation of multilateral projects and agreements of the BSEC.

38. The endeavors for implementation of the BSEC roadmap document titled the “Economic Agenda towards an Enhanced BSEC Partnership” are to be included in the regional and national policies, thus, strengthening the commitment of the parliaments and the governments to the outlined objectives through the establishment of an appropriate regulatory framework, preparation and implementation of the existing agreements and obligations and avoidance of duplication of actions.
39. Taking into account the fact that every year regional and global politics undergo considerable changes and that the visions of the countries in the region also radically change, it is necessary and useful to evolve PABSEC’s common vision on the basis of the already adopted documents. In order to be successful in shaping such a vision it is important that such a vision implies practical actions that will be limited in number with due regard to the capacities and priorities of the BSEC member states.
40. The Report by Mr. Yilmaz very correctly stressed that meeting the challenges of the new millennium the Assembly has to strengthen its role and dedication to become an active player within the wider Black Sea Region and in every particular member state. To this end, the PABSEC has to initiate steps to commend the necessary enhancements with a view to revitalize and strengthen the role, authority, efficacy and productivity of the Assembly and its International Secretariat.
41. To this end, it is important to strengthen the role and status of the Assembly on the basis of elaboration of principles for enhancing the efficiency of the PABSEC and its International Secretariat. It should be noted that although on every occasion the BSEC stressed the significance of the Parliamentary Assembly, the misunderstanding or absence of coordination in the drafting process resulted that the BSEC Charter adopted by the Yalta Summit in 1998 could not determine the appropriate place for the Parliamentary Assembly of the Black Sea Economic Cooperation putting it in equal terms with other dimensions of the BSEC process referred as “The Related Bodies to the BSEC” together with the BSEC Business Council, BSTDB, Academic dimension, etc. Determination of the status of the Parliamentary Assembly as a related body automatically deprived it of the possibility to share the legal status similar to the BSEC as it used to be in the past. Every step forward made by the BSEC in strengthening its legislative basis by adopting additional documents to the BSEC Charter broadens the status gap with the PABSEC, which remains as a related body. For many years the members of the Assembly recurrently raised the question of the legal status of the PABSEC and its relation with the BSEC on the occasion of the meetings of the General Assembly and the Committees stressing the need to find the way of regulating the question concerning the PABSEC legal status within the norms of the international practice.
42. Mutual action on the basis of equality and common strategy determines the success of achieving the objectives and the desired level of cooperation. Therefore, the Parliamentary Assembly and the national parliaments have to use their possibilities and contribute to the strengthening of the status of the Assembly through adoption of the necessary decisions aiming at improvement of the efficiency of the PABSEC and its International Secretariat. This is very important for achieving the concrete results and

ensuring the best practical results. It is necessary to address this issue in the framework of the forthcoming joint meeting between the PABSEC and the BSEC.

43. There is no doubt that the cooperation among the Black Sea countries will become more effective with the help of coordinated interaction between the parliaments and the governments, between the PABSEC and the BSEC. This will help pave the way towards formation of the policy and the political support to the joint project elaborated in the framework of the Black Sea Economic Cooperation.
44. It is also important to fully use the existing mechanisms and platforms in order to unlock the political and economic potential towards achievement of more significant development of the economic cooperation. Because of the fact that the members of the Assembly are the members of the national parliaments capable of mobilizing the public support, the Assembly may become the key platform for enhancing solidarity and mutual trust in the region.

III. CONCLUSIONS

45. During the past period of time, the Parliamentary Assembly, who is bringing together today 12 countries and whose priorities have always been and will remain to be the enhancement of economic potential of the countries in the region, the development of regional and international trade, increasing of welfare of the peoples, the strengthening of stability, peace and security in the region and on the whole European continent, has proved its viability.
46. The parliaments and the governments of the BSEC countries have to exploit their possibilities at the utmost in order to boost the economic cooperation in the Black Sea region with a view of consolidating the process of establishing peace, security and political stability through greater cohesion between the member states for the successful realisation of shared objectives of the Black Sea Economic Cooperation.
47. The Assembly has to work more closely with the BSEC and its related bodies in the process of effective implementation of the “Economic Agenda towards an Enhanced BSEC Partnership”, which constitutes the common program of action for the Member States for the future.
48. The PABSEC has also to pay more attention to the broader public participation and ensuring their access to the general information on the activities of the BSEC and the PABSEC in the region with the aim to promote the ideas and goals of the Black Sea cooperation. This, in its turn, requires the effective involvement and active participation of the authorities at regional, national and local levels, as well as the representatives of the non-governmental organizations, the business and industrial communities, the scientific and technical circles, youth and the mass media. In this context, it is possible to consider the proposal on resuming the PABSEC initiatives designed for strengthening the cooperation in various fields and at different levels.
49. It is also important to ensure more active role of the civil society in the process of the regional integration. It is important to promote the implementation of the relevant programs aimed at strengthening civil society and the mechanisms of citizen’s participation. Increased involvement of civil society in the wider Black Sea region will

contribute to the strengthening of solidarity in achieving the goals and objectives of the Black Sea Economic Cooperation.

50. Significant enhancement of the role of parliamentary diplomacy and parliamentary cooperation as an important foreign policy resource possessing the unique opportunities to maintain the contacts and searching for the points of common interest between the representatives of the peoples is of great importance for the shaping of necessary public opinion and strengthening cohesion and trust among the nations.
51. Summing up the experience of the past and evaluating the opportunities for the future cooperation, it is certain that the Parliamentary Assembly has a very promising outlook. The Assembly is capable to do much more towards bringing peoples together in the region and finding a balance of common interest if the due attention is paid to the achievement of better results in the framework of the “spirit of the PABSEC”.
52. Acting in this spirit, the representatives of the national parliaments of the BSEC member states shall spare no efforts to ensure mutual support for strengthening cooperation and partnership based on common interests and approaches dedicated to the further solution of the problems of the regional economic cooperation and to the construction of the better future for the generations to come.