

PARLIAMENTARY ASSEMBLY OF THE BLACK SEA ECONOMIC COOPERATION  
**PABSEC**

INTERNATIONAL SECRETARIAT

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THE LEGAL AND POLITICAL AFFAIRS COMMITTEE

## REPORT

THE ROLE OF PABSEC FOLLOWING THE  
YALTA SUMMIT

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## I. INTRODUCTION

1. Upon the proposal of Mr. Gennady Seleznev, the Tenth PABSEC President, Chairman of the State Duma of the Russian Federation, the issue "The Role of the PABSEC Following the Yalta Summit" was included on the Agenda of the twelfth meeting of the Legal and Political Affairs Committee for preliminary exchange of views to prepare background for the profound discussions at the Thirteenth meeting of the Committee.
2. The proposal of the president implies that the transformation of the BSEC into the regional international organisation will require from the Parliamentary Assembly more expanded political and legal support for the implementation of the multilateral projects and programmes, and that role of the Assembly will acquire different significance.
3. The Speakers and the Heads of the National Delegations, in their turn, signed in Bucharest on 24 June 1998 the Declaration on the Fifth Anniversary of PABSEC expressing "the will of the parliaments of the Member Countries to provide full support to the Black Sea cooperation process, as a major tool towards the achievement of prosperity and stability in the region, as well as a significant contribution to the emerging new European architecture".
4. Although the importance of the subject was recurrently noted at various occasions and at different meetings of the Assembly bodies, none of the National Delegations showed willingness to forward their contributions for the Report and Recommendation.

## II. THE BLACK SEA ECONOMIC COOPERATION PROCESS

5. History has given the people of the Black Sea region a dazzling opportunity to build a community of nations committed to the values of liberty and the promise of prosperity. With the establishment of the Black Sea Economic Cooperation in Istanbul on 25 June 1992 the leaders of the eleven countries have seized that opportunity launching a new partnership for prosperity for generations to come. With this initiative nations were brought together to open up new economic prospects, strengthen democracy and improve the quality of life in the Black Sea region.
6. For the achievement of the BSEC goals a bilateral and multilateral economic cooperation was chosen as a prime mechanism. Within past years the wave of economic changes swept across the region. The economies were recovered and opened up to foreign investments.
7. The Istanbul Summit Declaration of 25 June 1992 stated the common vision of democratic, prosperous, peaceful and united Black Sea region. It stressed main trends in the political and economic life of the region - "profound and rapid changes in Europe and determination of peoples to shape up a new era of peace, stability and prosperity ... the potential of the BSEC participating states and the opportunities for enhancing the mutually advantageous economic cooperation in the fields of ... achievement of higher degree of integration of the participating states into the world economy" and formulated a comprehensive agenda for the cooperation "transport, communications, informatics, standardisation, energy, tourism, agriculture, health, science and technology, development of business, SMEs, trade, investment and capital, free economic zones, banking and finance, etc." The Istanbul Summit was an event of profound importance as the leaders and the peoples of the BSEC countries embraced a common vision of the future and a common strategy for achieving it.
8. The seed planted in Istanbul for a new partnership for a new century generated the new stage of challenges. The Bucharest High Level Meeting of the BSEC Participating States

summarised activities translating the visionary promise made in Istanbul into a concrete measures for attaining the Black Sea Economic Cooperation. The Bucharest Statement of 30 June 1995 appraised the work done filled with progress towards the BSEC goals, the journey from words and commitments to deeds and action. It "underlined the importance of the establishment of the Black Sea Trade and development Bank, ... involvement of the academic communities and scientific and technological research". But for all the progress, still too many citizens had not yet seen their lives improved. Therefore, a specific mechanisms in various fields of economic activity were outlined to bring more benefits throughout the region "... to speed up the implementation of the objectives of the economic cooperation, to help overcome the difficulties caused by the process of transition to a market economy, ... solving existing problems which have a negative impact on the climate of the economic cooperation in the Black Sea region". The second stage included specific projects and measures "facilitating trade and business, facilitating movement of people, improvement of the system of transport and communication, energy, pollution, cooperation between the small and medium-sized enterprises, combating organised crime and other related crimes".

9. The challenge of ensuring that economic progress becomes a reality in the lives of the peoples of the Black Sea region and further steps to spread the benefit of progress to every member of society was once again reiterated at the Moscow High Level Meeting of the Heads of State or Government of the BSEC Participating States. The Moscow Declaration of 25 October 1996 focused on broader areas of cooperation, "developing partnership, democracy, ... expansion of economic cooperation, cultural, and scientific ties; ... utilising rich potential and favourable development prospects, ... supported the efforts to provide peace and stability in Europe, ... to strengthen confidence, stability and economic prosperity, ... to support peaceful initiatives concerning Trans-Caucasus region." At the same time, the Document underlined the necessity of strengthening of the institutional and legal framework of the Black Sea Economic Cooperation, i.e. launching the process of transformation of the BSEC into a regional economic organisation, and outlined further programme of action, including "projects on fiber optical communication lines, interconnection of the BSEC countries' power systems, energy transportation, transport infrastructure, investments, boosting private sector" and the most important project of establishment of the BSEC Free Trade Area.
10. Looking back on the five years since the Istanbul Summit, there was much to be proud of. The BSEC is on the way of achieving its long-held vision of democracy, integration and economic growth. One of the main achievements was the beginning of creation of the BSEC Free Trade Area - a thriving market invested in future of the BSEC member countries, enriching each other's lives, weaving a tapestry of trade interdependence that strengthens every nation. Through collective commitments, concerted efforts and converged policies the BSEC member countries continued to tackle issues of prime importance.

### III. THE YALTA SUMMIT - A NEW ERA IN THE BSEC PROCESS

11. The Yalta Summit marked a new era in the Black Sea Economic Cooperation process. It covered a broad and varied agenda proving that the vision set forth in Istanbul retained all of its validity and became even more topical. The Summit provided a definitive impulse in the Black Sea Economic Cooperation process by signing the Charter of the Organisation of the Black Sea Economic Cooperation on 5 June 1998, turning the BSEC into a full-fledged regional economic organisation.
12. As stated in the Yalta Summit Declaration, "in the 21<sup>st</sup> century the role of the Black Sea region, both in world politics and in the global economy, will grow substantially due to its strategic location and vast economic potential. ... This requires a new BSEC economic

agenda for the future to meet the challenges of the new era of globalisation, ... to stimulate economic growth and innovation, to create employment and build on the synergy that exists between our countries."

13. It is true that the individual nations can no longer formulate their policies without taking into account their place in a regional and global framework. Economic, political, social, environmental interests must be increasingly viewed from an international prospective. Globalisation processes throughout the world embraced the Black Sea region and the BSEC member countries stated their commitment to become integral part of the new European Architecture of the next millennium.
14. The establishment of the BSEC Free Trade Area remains priority issue. Integration and liberalisation of trade and investment are crucial focal points for strengthening economic relations within the BSEC. The prospects of advancing BSEC Free Trade Area, raised in the highly significant Declaration of Intent signed on 7 February 1997 remains in full force. The Yalta Summit Declaration once again stressed its commitment to "trade liberalisation and harmonisation of foreign trade regimes, ... implementation of existing agreements between the BSEC and the EU".
15. Other important items under focus of the Declaration were establishment of the Black Sea Trade and Development Bank in Thessaloniki, Greece, main financial pillar of the Organisation; cooperation with the regional and international organisations and particularly the BSEC-EU relationship with elaboration of comprehensive strategy and with aim to progressively shape EURO-BSEC economic area.
16. As stated in the Yalta Summit Declaration "considerable progress is achieved in multilateral economic cooperation .... which contributes to enhancing peace, stability and security for the benefit of BSEC peoples" but diversity which characterises the Black Sea region and the differences which still persist in the relative levels of development, call for more increased cooperation covering topics of direct concern for the peoples to build the future of the 21<sup>st</sup> century.

#### IV. THE ROLE OF THE PARLIAMENTARY ASSEMBLY

17. The Parliamentary Assembly was created to promote partnership and cooperation, stability and peace in the region and to provide and facilitate legal ground for the realisation of the principles and goals embodied in Summit Declaration and Bosphorus Statement signed on 25 June 1992. Since the very establishment the Assembly provided its legal support to initiatives launched by the BSEC and consistently advocated close cooperation with BSEC as a prerequisite of achieving the common goals of the Black Sea cooperation process.
18. At its various meetings the Assembly repeatedly stressed the role parliamentarians could play in strengthening the institutional and legal basis with greater parliamentary involvement in the BSEC process. The Assembly at its Seventh Plenary Session in Baku on 13 June 1996, considered and approved the principles adopted by the Seventh MMFA on the relations between the PABSEC and the BSEC and incorporated a special chapter in the PABSEC Rules of Procedure under Article 10.A - Relations between the PABSEC and the BSEC.
19. The Moscow Meeting of Heads of State or Government held on 25 October 1996 paid particular attention to the strengthening of the institutional and legal framework of the Black Sea Economic Cooperation. The Final Declaration stressed that "one of the priorities at present is the strengthening of the institutional and legal bases of the BSEC .... ensuring better interaction in all its dimensions.... and cooperation of the countries in the Black Sea region will be more effective, solid and developing in close interaction among

the national parliaments." In this framework the Heads of State or Government emphasised "the role and place of the Parliamentary Assembly as the parliamentary dimension of the BSEC providing consistent support to the Black Sea cooperation process" and that "the BSEC-PABSEC interaction shall be based on an appropriate mechanism".

20. The Yalta Summit Declaration highly appreciated "the valuable contribution of the PABSEC to the development of the BSEC process. It goes without saying that cooperation between the Black Sea countries will gain more effectiveness through coordinated interaction between the parliaments and governments, between the PABSEC and the BSEC. It may contribute to policy formation and political support to the common projects elaborated within the framework of the Black Sea Economic Cooperation, by virtue of its membership from the national parliaments helping to create understanding and mutual confidence. The Assembly can become an important touchstone for promoting a common feeling of solidarity passed to the public domain.
21. PABSEC, recognising the need of the parliamentary support to complement the actions developed and executed within the BSEC framework, elaborated and passed 31 Recommendations covering priority areas such as legislative harmonisation, customs regulations, visa facilities, banking and finance, trade and business, foreign trade regimes, avoidance of double taxation, transportation, the BSEC Free Trade Area, environmental protection, refugees and displaced persons, cultural heritage. Black Sea history, education, response to natural calamities and technological disasters, social guarantees in the transitional period, organised crime and terrorism, youth cooperation, etc. These documents reflect commitment of the parliamentarians to improve the economic well-being and the quality of life of the peoples and contain recommendations on concrete initiatives intended to promote the overall development of the countries of the Black Sea region.
22. Nevertheless, the main document adopted by the Yalta Summit - the BSEC Charter could not determine 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. The only reference to the PABSEC in the BSEC Charter is the Article 20 stating that "the BSEC will closely cooperate with the PABSEC in promoting the BSEC objectives" and that the Parliamentary Assembly of the Black Sea Economic Cooperation representing national parliaments of the Member States, provides consistent support to the Black Sea cooperation process on a consultative basis".
23. Fully aware of its growing responsibilities posed by transformation of the BSEC into the international economic organisation, and as a first step following the Yalta Summit, the Parliamentary Assembly committed itself to use its authority for prompt **ratification process of the BSEC Charter.**
24. According to the information received by the International Secretariat the national parliaments of the member countries have already ratified the Document:

Albania	ratified on	05.10.98
Armenia	ratified on	01.12.98
Azerbaijan	ratified on	01.12.98
Bulgaria	ratified on	28.10.98
Russian Federation	ratified on	11.12.98
Georgia	ratified on	05.02.99
Hellenic Republic	ratified on	17.03.99
Ukraine	ratified on	19.03.99
Moldova	ratified on	22.04.99
Romania	ratified on	22.04.99
Turkey	ratified on	23.06.99

## V. NEW TASKS FOR THE ASSEMBLY FOLLOWING THE YALTA SUMMIT

25. The Declaration of the Fifth Anniversary of the Parliamentary Assembly of the Black Sea Economic Cooperation clearly says that "transformation of the BSEC into a regional economic organisation is opening broader perspectives to the regional integration process, strengthening its institutional and legal status and enhancing its prestige on the international arena".
26. The Assembly has to be more active to endorse new initiatives, foster new laws and multilateral conventions designed to promote materialisation of the commitments and principles laid down in the BSEC Summit Declarations and the Charter of the Organisation of the Black Sea Economic Cooperation.
27. Having in mind the common vision of the regional cooperation as a part of the global integration process and a new status of the BSEC, PABSEC has to intensify its relations with international parliamentary and governmental institutions, to become more active in seeking new ways and means for international support for the initiatives within the BSEC framework.
28. In this connection, the Parliamentary Assembly has to focus on the issues of vital regional priority aimed at deepening the economic relations and developing higher degree of integration. It has to improve the mechanism of follow-up and undertake necessary action for implementation to the fullest extent possible of the Assembly Recommendations. At the same time, PABSEC, within its legal framework and within a reasonable time, has to strengthen mechanisms for taking appropriate measures to achieve better results.
29. The Parliamentary Assembly has to be active to achieve coordination with the BSEC for adjusting the agendas so that the projects under consideration in the BSEC can be complemented by initiatives by the PABSEC.
30. The Assembly has to strengthen its efforts to promote democratic reforms at local and regional levels, to respond to the need of peoples, further improve national legislative systems and encourage multilateral mechanisms, as well as to take stand against the serious threats of crime, corruption and terrorism and to promote peace, security and prosperity in the Black Sea region.
31. The Assembly has to take lead in promoting comprehensive policies aimed at overall development in the region, taking into consideration its multifaceted and complicated nature. To further identify problems at national and regional levels and outline different

mutually supportive programmes and plans with due regard to the international norms and principles combined with the specific national interests.

32. Furthermore, PABSEC has to continue the process of reviewing national legislations in order to eliminate or amend certain provisions which may prevent the process of harmonisation of legislation necessary for materialisation of the multilateral projects within the BSEC framework.

## CONCLUSIONS

33. Five years of activities demonstrated the ability of the Assembly to serve the needs of the region and as stated in the Declaration on the Fifth Anniversary PABSEC "occupies a unique place, offering not only a democratic forum for interparliamentary dialogue, but also maintaining an essential link between governments and peoples through their elected representatives."
34. Parliamentarians of the BSEC member countries can and must strengthen a partnership for prosperity where freedom and trade and economic opportunity become the common property of the peoples in the Black Sea region. The region where disputes among or within the nations are peacefully and honourably resolved. Where cultures and nations are universally and mutually respected, where no persons' rights are denied, where families and communities are strong and trade flows freely without borders.
35. The aim of well-being of the peoples in the region, peaceful, stable and prosperous Black Sea, that is the main goal of the BSEC and towards which the Assembly thrived so many years will be short-lived if the efforts of all the parliamentarians are not unified and combined with much more coordination with the respective governments that will enable to grow and come together and maintain all the benefits over the long run that the Black Sea Economic Cooperation gives.