COMMISSION OF THE EUROPEAN COMMUNITIES



Brussels, 11.4.2007 COM(2007) 160 final

COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT

BLACK SEA SYNERGY - A NEW REGIONAL COOPERATION INITIATIVE

EN EN

COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT

BLACK SEA SYNERGY - A NEW REGIONAL COOPERATION INITIATIVE

1. INTRODUCTION – THE NEED FOR A REGIONAL POLICY

On 1 January 2007, two Black Sea littoral states, Bulgaria and Romania, joined the European Union. More than ever before, the prosperity, stability and security of our neighbours around the Black Sea are of immediate concern to the EU.

The Black Sea region¹ is a distinct geographical area rich in natural resources and strategically located at the junction of Europe, Central Asia and the Middle East. With a large population, the region faces a range of opportunities and challenges for its citizens. The region is an expanding market with great development potential and an important hub for energy and transport flows. It is, however, also a region with unresolved frozen conflicts, with many environmental problems and insufficient border controls thus encouraging illegal migration and organised crime. In spite of significant positive developments in the last years, differences still remain in the pace of economic reforms and the quality of governance among the different countries of the region. A dynamic regional response to the issues can greatly benefit the citizens of the countries concerned as well as contribute to the overall prosperity, stability and security in Europe.

The European Union has already made major efforts to stimulate democratic and economic reforms, to project stability and to support development in the Black Sea area through wideranging cooperation programmes. Three EU policies are relevant in this context: the preaccession process in the case of Turkey, the European Neighbourhood Policy (with five eastern ENP partners also being active in Black Sea cooperation) and the Strategic Partnership with the Russian Federation. Moreover, the EC has contributed to a whole range of sectoral initiatives of regional relevance. (See Annex I)

There are significant opportunities and challenges in the Black Sea area that require coordinated action at the regional level. These include key sectors such as energy, transport, environment, movement and security. Enhanced regional cooperation is not intended to deal directly with long-standing conflicts in the region, but it could generate more mutual confidence and, over time, could help remove some of the obstacles that stand in the way. Given the confluence of cultures in the Black Sea area, growing regional cooperation could also have beneficial effects beyond the region itself.

The moment has therefore come for increased European Union involvement in further defining cooperation priorities and mechanisms at the regional level. In the present

_

The Black Sea region (See Map in Annex II) includes Greece, Bulgaria, Romania and Moldova in the west, Ukraine and Russia in the north, Georgia, Armenia and Azerbaijan in the east and Turkey in the south. Though Armenia, Azerbaijan, Moldova and Greece are not littoral states, history, proximity and close ties make them natural regional actors.

Communication, the Commission puts forward Black Sea Synergy as a new regional cooperation initiative of the EU.

2. THE CHARACTERISTICS OF BLACK SEA SYNERGY

It is not the Commission's intention to propose an independent Black Sea strategy, since the broad EU policy towards the region is already set out in the pre-accession strategy with Turkey, the ENP and the Strategic Partnership with Russia. The further evolution and the largely bilateral implementation of these policies will continue to determine the strategic framework.

What is needed is an initiative complementary to these policies that would focus political attention at the regional level and invigorate ongoing cooperation processes. The primary task of Black Sea Synergy would therefore be the development of cooperation within the Black Sea region and also between the region as a whole and the European Union.

This fully transparent and inclusive initiative is based on the common interests of the EU and the Black Sea region and takes into account the results of consultations with all Black Sea states. It would also enhance synergies with and build upon experiences of existing regional initiatives linking the Black Sea region to the EU, such as the Danube Cooperation Process.²

Black Sea Synergy is intended as a flexible framework to ensure greater coherence and policy guidance. In assessing the usefulness of Community support for particular initiatives, the active involvement of the countries and regional bodies directly concerned, including through financing, should serve as a key criterion.

The scope of actions could extend beyond the region itself, since many activities remain strongly linked to neighbouring regions, notably to the Caspian Sea, to Central Asia and to South-Eastern Europe. There would be a close link between the Black Sea approach and an EU Strategy for Central Asia. Black Sea cooperation would thus include substantial interregional elements. It would also take account of other regional cooperation programmes supported by international organisations and third countries.³

3. THE MAIN COOPERATION AREAS

At the outset, Black Sea Synergy would focus on those issues and cooperation sectors which reflect common priorities and where EU presence and support is already significant. Consequently, this Communication formulates a number of short- and medium-term tasks related to these areas.⁴

3.1. Democracy, respect for human rights and good governance

The Council of Europe and the OSCE have set standards on human rights and democracy which apply to all Black Sea states. EU efforts in these regards are principally bilateral.

Concrete tasks under Chapters 3 and 4 appear in italics.

An initiative developed by Austria, Romania, the European Commission and the Stability Pact to broaden and deepen Danube cooperation and give to it clear political and economic dimensions.

Like the programmes of the UN, the OSCE, the OECD and the Council of Europe or the Black Sea Trust for Regional Cooperation of the GMF of the United States.

Nevertheless, actions taken at the regional level can play a substantial role in underpinning and invigorating national measures. Black Sea regional organisations have in recent years undertaken commitments to developing effective democratic institutions, promoting good governance and the rule of law. The EU should *support these regional initiatives through sharing experience* on measures to promote and uphold human rights and democracy, *providing training and exchange programmes* and *stimulating a regional dialogue with civil society*.

3.2. Managing movement and improving security

Improving border management and customs cooperation at regional level increases security and helps to fight organised cross-border crime such as trafficking in human beings, arms and drugs and contributes to preventing and managing irregular migration. Successful examples such as the EU Border Assistance Mission for Moldova and Ukraine show that it can also contribute to the resolution of conflicts.

The Commission will shortly present a Communication applying the Global Approach to Migration to eastern and south-eastern neighbours, including new *initiatives on better managing migration and tackling illegal migration*. Important illegal migration routes run through the Black Sea region, making regional cooperation on these issues particularly relevant.

The Commission has also been encouraging the countries in the region to develop further practical co-operation on countering cross-border crime in general, by *channeling experience* from other similar initiatives in South-Eastern Europe and the Baltic area. Further intensified regional cooperation will enhance the performance of national law enforcement, in particular in the fight against corruption and organised crime. Black Sea regional actors might usefully develop best practices, introduce common standards for saving and exchanging information, establish early warning systems relating to trans-national crime and develop training schemes. This could build on the experience and activities of the SECI regional centre⁵ and the BBCIC. ⁶

3.3. The "frozen" conflicts

The Commission advocates a more active EU role through increased political involvement in ongoing efforts to address the conflicts (Transnistria, Abkhazia, South Ossetia and Nagorno-Karabakh) and has proposed that the EU should also look at ways of enhancing its participation e. g. in monitoring. Black Sea Synergy could offer one means of addressing the overall climate by tackling the underlying issues of governance and lack of economic development, lack of social cohesion, of security and of stability. Special attention must be paid to promoting confidence-building measures in the regions affected, including cooperation programmes specifically designed to bring the otherwise divided parties together.

-

South-East European Cooperation Initiative Regional Centre for Combating Trans-border Crime. Based in Bucharest, it has several Black Sea states as members or observers.

Black Sea Border Coordination and Information Centre based in Burgas. It provides information about illegal activities in the Black Sea region and fosters the exchange of information among coastguards.

3.4. Energy

The Black Sea region is a production and transmission area of strategic importance for EU energy supply security. It offers significant potential for energy supply diversification and it is therefore an important component of the EU's external energy strategy. Energy supply security diversification is in the interest of our partners in the region, as well as the EU.

The Commission will continue to enhance its relations with energy producers, transit countries and consumers in a *dialogue on energy security*. This dialogue will promote *legal and regulatory harmonization* through the Baku Initiative (See Annex I) and in the framework of the ENP and the EU-Russia Energy Dialogue. This would be pursued also through the expansion, when appropriate, of the Energy Community Treaty to Moldova, Turkey and Ukraine, also through the Memoranda of Understanding with Azerbaijan and Ukraine, PCA and trade agreements, WTO accession negotiations and, where appropriate, via other bilateral energy agreements. The objective is *to provide a clear, transparent and non-discriminatory framework*, in line with the EU *acquis*, for energy production, transport and transit.

The EU is also helping the countries of the region to develop a clearer focus on alternative energy sources and on energy efficiency and energy saving, which will release important energy resources.

The EU is working closely with regional partners to enhance energy stability through the upgrading of existing and the construction of new energy infrastructure. In this context, the Commission is developing, in cooperation with its partners, a new trans-Caspian trans-Black Sea energy corridor. This corridor will include several technical options for additional gas exports from Central Asia through the Black Sea region to the EU. In addition, given the growing quantities of oil transiting the Black Sea, which have led to increasing safety and environmental concerns, the EU has a specific interest in developing a sustainable and ecological oil dimension to its co-operation in the region. Already a number of Bosphorus bypass projects are under consideration. (See Annex I)

The EU therefore should encourage *the significant investments* necessary to achieve the above objectives.

Finally, for the medium term and as proposed in the recent Communication on an Energy Policy for Europe⁷, the Commission will *examine the possibility of a legal framework between the EU and the ENP region* that covers the common interests of security of supply, of transit and of demand. A *feasibility study* will be launched to determine whether it is necessary to develop such an overall legal framework covering producer, transit and consumer countries.

3.5. Transport

The Commission should continue to actively *support regional transport cooperation* with a view to *improving the efficiency, safety and security of transport operations*. The EU would build on the experience of all the various transport initiatives relevant to the Black Sea area. (See Annex I)

⁷ COM(2007) 1 final of 10.01.2007.

With its recent Communication⁸, the Commission has launched a debate on how to enhance transport cooperation and *streamline the various ongoing cooperation activities*. Efforts should continue in the context of *developing the transport axes between the Union and the neighbouring countries as identified by the High Level Group*. There is a need for close coordination with ongoing initiatives, which should lead to a *clear division of labour or even a partial merger between existing regular events and structures*. The TRACECA Strategy until 2015 should continue to provide an important base for regional transport development.

Transport policy dialogue with a view to regulatory approximation would remain a central goal. The Commission intends to assist in identifying those actions that will help to achieve uniform and consistent application of relevant instruments and standards. Competitiveness, the capacity to attract traffic flows, improving safety, security, interoperability and intermodality should be decisive factors in drawing up plans for the future. Aviation safety and extending the common aviation area are important objectives. Given the growing hydrocarbon transportation needs, maritime safety would be high on the agenda. In particular, the practices and procedures of the Paris and Black Sea Memoranda of Understanding on Port State Control should be harmonized at the highest level of performance. The Commission proposes to fully exploit the advantages offered by short sea shipping and inland waterways, notably the Danube.

3.6. Environment

Here many regional processes exist but implementation is lagging behind. The need to address marine environment problems at regional level is recognised by the EU Marine Strategy and proposed Marine Strategy Directive adopted by the Commission in 2005⁹. The EU Marine Strategy will require EU Member States in all regional seas bordered by the EU to ensure cooperation with all countries in the region. To this end, Member States will be encouraged to work within the framework of regional seas conventions – including the Black Sea Commission. (See Annex I) *Community accession to the Convention on the Protection of the Black Sea against Pollution is a priority*.

Countries of the Black Sea region need to enhance implementation of multilateral environmental agreements and establish a more strategic environment co-operation in the region. In this respect, the approach of the DABLAS Task Force, in cooperating on improving water investments, could be replicated for other regional environment issues such as nature protection, waste management, industrial or air pollution in so far as a regional approach would bring true benefits. The Commission should also promote regional-level activities to combat climate change, in particular by making use of the joint implementation of the clean development mechanism of the Kyoto Protocol and engage the Black Sea Region countries in international discussions on future action. Other mechanisms could be explored, such as a longer-term development of national emissions-trading schemes in the region.

3.7. Maritime Policy

Black Sea Synergy provides an opportunity for *dialogue on the emerging holistic maritime* policy of the Union which aims to maximise sustainable growth and job creation in sea related

⁹ COM(2005) 504 and COM(2005) 505 of 24 October 2005.

⁸ COM(2007) 32 final "Guidelines for Transport in Europe and the Neighbouring Regions". This Communication, building on the High Level Group recommendations, outlines the first steps for closer integration of the EU transport system with that of the neighbouring countries.

sectors and coastal regions. This would include building a network of clusters of maritime cross-sectoral co-operation among services, industries and scientific institutions and also *improving cooperation and integration on the surveillance of the sea*, with a view to safety and security of shipping and environmental protection.

3.8. Fisheries

The Black Sea is an important fishing region and the majority of its stocks are trans-boundary. A number of these are in a bad state and action at regional level is therefore needed to help them to recover. The EU would seek to promote sustainable development through fisheries management, research, data collection and stock assessment in the Black Sea region. New ways to ensure sustainable and responsible use of fisheries resources in the region should be explored. The possibilities offered by the General Fisheries Commission for the Mediterranean, which includes the Black Sea in its mandate, should be better used.

3.9. Trade

The EU is an important economic and trading partner for the Black Sea countries, and closer economic cooperation ties and preferential trade relations are an important element of our relationship. The WTO accession of all Black Sea states and our negotiations on successor agreements to the PCAs with Russia and Ukraine will be an important step towards trade liberalisation in the region and the EU will *continue to support that process*.

The implementation of the ENP Action Plans' trade and economic provisions, in particular further market economy reforms and progressive regulatory approximation of legislation and practices to the EU trade-related *acquis* continue to play an important role in regional tradefacilitation and integration.

Black Sea regional cooperation organizations have put forward several initiatives to develop free trade areas. In principle, the EU welcomes steps that serve genuine trade liberalisation, to the extent that these are compatible with the multilateral trade regime and reflect existing agreements between the EC and the states concerned. Any initiative should take due account of the fact that EU Member States and countries bound to the EU's common commercial policy by a customs union cannot autonomously participate in regional free trade schemes.

3.10. Research and Education Networks

The Commission intends to stimulate the interconnection of all countries in the area to the pan-European research backbone GEANT.

There is mutual interest in providing high-speed connectivity between research and education communities and in promoting legal and regulatory harmonisation of these countries' frameworks with the EU framework. This would require the establishment of independent and efficient regulatory authorities. Furthermore, there is a need to promote the deployment of broadband infrastructure and the introduction of online services in the field of e-Government, e-Business, e-Health and the use of ICT in education and research.

The Tempus programme will serve as a useful instrument for establishing cooperation projects between universities in the EU and Black Sea region, focusing on higher education reform.

3.11. Science and Technology (S&T)

The Commission intends to promote capacity-building and S&T policy dialogue with the Black Sea countries, in particular through the new instruments available under the 7th Research Framework Programme (FP7). It will ensure *the inclusion of specific research activities and topics of mutual interest in FP7 work programmes* and will promote synergies between FP7-funded activities and other appropriate EC financial instruments.

3.12. Employment and social affairs

The partner countries of the Black Sea region face similar challenges, like high unemployment, a widespread informal economy, as well as issues related to the promotion of decent work, such as social dialogue, social protection and gender equality. Fighting poverty and social exclusion is highlighted in several ENP Action Plans. Better integration of ethnic minorities and combating discrimination are key concerns for social cohesion in many of the Black Sea partner countries. Cooperation at regional level on these issues could provide additional value, particularly when it comes to the *exchange of information and best practices, as well as awareness-raising initiatives, including training programmes for relevant officials, social partners and civil society organizations.* The EU should *support such activities through appropriate technical assistance programmes*.

3.13. Regional Development

With the accession of Bulgaria and Romania, European Union Regional Policy funding has become available to the Black Sea coastline for the first time. Regional Policy programmes in these two Member States will contribute to improving their costal regions' competitiveness and environmental situation in particular, via a special focus on the Lisbon and Gothenburg agendas. Lessons learned in these programmes will be able to be shared around the Black Sea via the co-operation programmes mentioned in Section 4.

4. CROSS-BORDER COOPERATION (CBC) AND THE ROLE OF LOCAL AND CIVIL SOCIETY ACTORS

The Commission has established a Black Sea CBC programme under the European Neighbourhood and Partnership Instrument (ENPI). This "sea basin programme" focuses on *supporting civil society and local level cooperation* in Black Sea coastal areas. The programme will be managed locally in the region, with the partners taking joint responsibility for its implementation.

This programme facilitates the further development of contacts between Black Sea towns and communities, universities, cultural operators and civil society organisations, including consumer organisations. This can play a particularly important role in conflict areas, where civil society actors are especially useful for the development of cooperation with and among inhabitants.

In addition, there will be new cross-border co-operation programmes between Bulgaria and Romania (funded from the European Regional Development Fund) and between Bulgaria and Turkey (funded from the Instrument for Pre-Accession). These will both allow for maritime and coastal actions that will enhance the development of links and co-operation along the western coast of the Black Sea.

5. THE STRENGTHENING OF THE ENP

Five countries of the Black Sea region are ENP partners. The strengthening of the European Neighbourhood Policy, including the building of a thematic dimension to the ENP and the gradual development of deep and comprehensive Free Trade Agreements, would enrich Black Sea cooperation. The removal of obstacles to legitimate travel, the new scholarship scheme under the External Cooperation Window of the Erasmus Mundus programme as well as greater cooperation between universities could help facilitating regional contacts.

The proposed Neighbourhood Investment Facility, for the countries with ENP Action Plans, could contribute to the preparation and co-financing of infrastructure investments, in particular in the areas of energy, transport and environment and in close co-operation with International Financial Institutions, notably the EIB and EBRD.

6. THE ROLE OF REGIONAL ORGANISATONS

The Commission is not proposing the creation of new institutions or bureaucratic structures. The Black Sea states would remain the EU's main interlocutors, whether in a bilateral framework or during discussions at the regional level. The bulk of the EC's contribution will continue to be provided through the established sectoral programmes managed by the Commission.

The EU, however, should be ready to strengthen contacts with regional organisations. The EU's Black Sea regional initiative aims at a comprehensive approach including all countries in the region; therefore the wide membership of the Organisation of the Black Sea Economic Cooperation (BSEC)¹⁰ and the fact that Russia and Turkey are its founding members is a decisive advantage and could substantially contribute to the success of Black Sea Synergy.

EU-BSEC links would serve primarily for dialogue at the regional level. This might include meetings between senior officials with a view to better coordinate concrete projects.

A kick-off high-level political event would provide political orientation and visibility to EU Black Sea Synergy. Should Black Sea Synergy partners so decide in the light of tangible progress, regular ministerial meetings might take place, attended by the EU and BSEC countries. Meetings between the EU and ENP partners from the Black Sea region could be organized back to back with these meetings and provide an opportunity for consultations on ENP-related questions. Black Sea Synergy would also take advantage of the useful contacts already existing between the European Parliament and the Parliamentary Assembly of BSEC.

At present seven EU Member States have observer status with BSEC.¹¹ Responding to BSEC's initiative, the Commission intends to also seek observer status and to support EU Member States' application for observer status.

At the same time, the Commission will remain open to all appropriate cooperation possibilities that might be provided by other regional bodies and initiatives. Given its focus on

BSEC was established in 1992 and transformed into an international organization in 1999. Initially concentrated on economic cooperation, but its focus has been gradually enlarged. Membership includes all Black Sea countries as listed in footnote 1 plus Albania and Serbia.

The Czech Republic, Germany, France, Italy, Austria, Poland and Slovakia

regional partnerships and networks, the Black Sea Forum¹² could be particularly useful at the non-governmental, civil society level.

7. FINANCIAL SUPPORT

As a general principle, co-financing would be applied. Where appropriate, Community financial support could be available under the national, regional and cross-border programmes of the ENPI, other external assistance instruments and, for EU Member States, the European Regional Development Fund. The increased flexibility of the new EC funding instruments should facilitate the funding of regional cooperation initiatives.

The regional activities of the EBRD and the EIB as well as the Black Sea Trade and Development Bank¹³ are already significant and Black Sea Synergy could offer new possibilities, including the development of mechanisms for joint financing, making use of experience gained with schemes like the Northern Dimension partnerships.

8. CONCLUSION

The Black Sea regional constellation has substantially changed in the past years and will continue to evolve. In these conditions, the EU's new regional cooperation initiative would usefully complement its existing wide-ranging bilateral and sectoral activities.

The European Union's presence in the Black Sea region opens a window on fresh perspectives and opportunities. This requires a more coherent, longer-term effort which would help to fully seize these opportunities, to bring increased stability and prosperity to the region. Greater EU engagement in Black Sea regional cooperation will contribute to this objective.

The Black Sea Forum is a Romanian initiative.

The Black Sea Trade and Development Bank (BSTDB) is based in Thessaloniki. Shareholders are the founding BSEC member states.

ANNEX I

Recent and Ongoing EU activities at regional level

Already in a 1997 Communication¹⁴, the Commission stressed the need to support cooperation in the Black Sea region and suggested appropriate areas for Community programmes. In the ensuing period the EC has contributed to a number of initiatives and cooperation programmes of regional relevance, notably:

1. THE BAKU INITIATIVE

This is a framework to enhance cooperation in both the energy and transport fields and to stimulate progressive convergence towards EC principles.

2. THE INOGATE PROGRAMME

The INterstate Oil and GAs To Europe pipelines, INOGATE, improves the security of energy supply through multi-annual technical assistance programmes. It is supported by the EU-Black Sea and Caspian Sea Basin and its Neighbouring Countries Energy Cooperation Secretariat, as was agreed at the Astana Ministerial Conference on 30 November 2006.

3. ENERGY INFRASTRUCTURE

The Commission has been working with others on upgrading the energy infrastructure. Major projects have been carried out, including the Baku-Supsa and the Baku-Tbilisi-Ceyhan oil pipelines as well as the Baku-Tbilisi-Erzerum gas pipeline. Furthermore, a number of projects of new energy infrastructure are currently considered. These include the reversal of the Brody-Odessa pipeline and its extension to Plock in Poland, as well as the Constanza-Omisalj-Trieste, Burgas-Vlore and Burgas-Alexandroupolis oil pipelines. In addition, the Commission has acted as a catalyst for the agreement between Greece and Turkey for the completion of a gas pipeline linking the two countries with a possible extension to Italy.

4. TRACECA

The TRAnsport Corridor Europe Caucasus Central Asia (TRACECA) programme provides technical assistance covering road, rail, aviation and maritime transport connections from Central Asia to Europe. It was originally a Community programme but since 1999 it is regulated by a multilateral agreement with intergovernmental structures.

5. HIGH LEVEL GROUP INITIATIVES

In 2004, the European Commission established the High Level Group on the Extension of the Major Trans-European Transport Axes to the Neighbouring Countries and Regions. The HLG

¹⁴ COM(97) 597 final. Communication on Regional Cooperation in the Black Sea Area

delivered its recommendations in December 2005. Many of the initiatives put forward by the High Level Group are pertinent to the Black Sea region.

6. ENVIRONMENT

The Commission actively contributes to the work of the Black Sea Commission, the executive body of the Convention on the Protection of the Black Sea against Pollution, which was signed in 1992 by the six littoral states. Furthermore, the Commission chairs the Danube Black Sea Task Force, which was set up by the countries of the Danube-Black Sea region in 2001 to encourage a strategic focus on investments in the field of water.

7. CONFLICT RESOLUTION

The Commission has contributed to activities aiming at conflict resolution, notably through the Border Assistance Mission for Moldova and Ukraine.

8. NATIONAL RESEARCH AND EDUCATION NETWORKS

The interconnection of the National Research and Education Networks (NRENs) to the pan-European research backbone GEANT has been achieved for all the European Union Member States and Candidate Countries. As regards Moldova and the Caucasus countries, they are only linked with very limited capacity, while the Ukraine is not linked at all, which constitutes a major blocking factor to the further development of research and education efforts in the region.

9. SCIENCE AND TECHNOLOGY

Efforts to consolidate the potential of the Black Sea countries and to establish stronger links with the scientific community of the EU were spearheaded by the INCO Programme of the 6th Framework Programme for Science, Technology and Development (2002-2006). This programme was aimed at the Bulgaria, Romania and Turkey as well as eastern ENP partners. The Framework Programme included additional and substantial cooperation with the latter, particularly through the INTAS Programme which focused on cooperation between the EU and Eastern Europe and Central Asia. In September 2005, the Ministers of countries that belong to BSEC adopted a 'BSEC Action Plan on cooperation in science and technology'. This plan was developed with European help for a 4 years period. It aims at enhancing S&T cooperation among the Black Sea countries as well as between BSEC and the EU. The Commission participates in all S&T Working Group meetings to assist in the implementation of the Action Plan.

