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THE ROLE AND POTENTIAL OF THE ORGANISATION OF THE BSEC

In the run-up to the 20th anniversary summit of the BSEC to be held in the summer of 2012, the paper argues that the continued relevance of the Organization in regional and European affairs now largely depends on its ability to re-evaluate its past performance and to adjust to the requirements of the 21st century. The author advances a set of practical suggestions, conceived as a contribution to the on-going debate on a new strategic design for the BSEC in the next decade focusing on sustainability as 'the new mantra' of regional development. Concrete steps are detailed in the priority areas where a cooperative approach in a regional format is desirable and realistically feasible by providing value added compared to individual country efforts.

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2012 may well become a watershed in the life of the Organization of the Black Sea Economic Cooperation. It will mark twenty years since the Istanbul Summit and the Bosphorus Statement (25 June 1992) , which launched the Black Sea regional cooperation initiative, and fourteen years since the adoption of the BSEC Charter (Yalta, 5 June 1998), which formally established it as a regional economic Organization. Simply put, what is at stake is the continued relevance of the BSEC for its member states, for the citizens of those countries as well as for international partners.

Only a year away from the twentieth anniversary Summit, the BSEC member states have to decide whether to continue in the business-as-usual mode or to move on to a more meaningful phase by injecting an extra dose of political will and determination into their regional project. It is appropriate, therefore, to take pause for a dispassionate look at what has been accomplished so far and what the reasonable, realistic expectations for the future may be.

The purpose of this paper is to discuss the broader conclusions resulting from an examination of the evolution of the Organization of the BSEC to date and to suggest for further consideration some practical steps that could really make a difference in terms of its effectiveness and actual performance. Rather than revisiting the non-identical and often diverging interests and policies of the BSEC member states or relevant outside actors I shall consequently concentrate on those areas where a regional approach can supplement the efforts of individual countries by yielding added value through joint action.

My basic assumption is that, despite some negative perceptions and pervasive skepticism, we can count on a reasonably solid consensus of the BSEC member states that the Organization still serves a useful purpose and merits to be kept alive, provided it can muster the political commitment to pursue its stated goals in a manner that is consistent with the requirements of the early twenty-first century.

I. Lessons learned

Over a space of almost two decades, the Organization of the BSEC has accumulated a wealth of experience that deserves a more careful analysis. On the whole, the past record shows a mixed picture of successes and failures. As it happens in most complex systems, each of the BSEC's strengths has its downside and each of its drawbacks holds a promise of future opportunities. Making sense of this commonly encountered ambivalence is a necessary prerequisite for any conscious attempt to chart a realistic way forward.

1. *Form versus substance.* It has been often stated that the BSEC has now reached the stage of institutional maturity enabling it to cope with the complex issues of multilateral interaction in a regional format. True, the structures and basic procedures are there. A number of worthy initiatives undertaken over the past few years have resulted in a stronger operational capacity of the BSEC institutional family and its working mechanisms, improved transparency and accountability, and better coordination of various events and activities. The bureaucratic routines are well established, meetings are held, for the most part, on schedule, reports are delivered, the archives are in order.

All this is good and the efforts being made to that end are commendable. But progress on the main remit of the Organization according to its Charter—enhanced regional cooperation—has been patchy at best. Most of the shortcomings described in the introductory section of the BSEC Economic Agenda of 2001 still apply today, ten years after the document was adopted. High sounding declarations made at political level have not been, by and large, matched by tangible results. The continued relevance of the BSEC in regional and European affairs will therefore depend on its ability and determination to deliver on its promises.

2. *Inclusiveness versus outreach.* The BSEC has been from the beginning an inclusive undertaking. It started as an inter-governmental initiative which

was not strictly limited to the littoral states but comprised also countries in the immediate vicinity having traditional links to the Black Sea. Some pending applications for membership, observer status or other forms of association have been stalled, however, because of bilateral or broader geopolitical considerations that may have had little do to with purely regional dynamics. The BSEC institutional family has also diversified over time to include parliamentary, business, academic and non-governmental dimensions, all engaged in a variety of external networks and partnerships.

The international stature of the BSEC may be further enhanced through a closer relationship with the European Union, which has developed several initiatives and policy instruments that are specifically targeted on, or are relevant to, the Black Sea region. The BSEC's own coherent performance will determine in the years to come whether the EU can regard it as a privileged regional partner or rather deal with individual countries on a bilateral basis. Much will depend on how the BSEC manages to position itself as a natural bridge to the emerging markets of Central Asia and the northern tier of the Middle East, and to the dynamic economies of China and the Indian subcontinent further east.

3. Diversity versus common goals. It is a fact that the BSEC membership comprises states that differ significantly in terms of population numbers and geographical size, power projection capability, level of socio-economic development, systems of governance, maturity of democratic institutions, sophistication of business culture or human development indicators. Regional economic integration based on a common set of rules is not a realistic prospect at least in the medium term because some of the BSEC member states are affiliated to different integrative structures, while not all of them have as yet joined the World Trade Organization or the Energy Charter Treaty.

The very survival of the BSEC over almost two decades, even though in a low-key mode, indicates that its member states see some merit in its continued existence and are prepared to spend time and effort to keep it so. This may be a minimalist proposition, but it is a valid one. The alternative course of action is to offer a new strategic design, while being aware of the obvious constraints, in order to enhance the useful purpose of the Organization in the rapidly changing circumstances of today.

4. National versus regional agendas. Observers both from inside and outside the BSEC have often noted that the nominally agreed objectives of regional cooperation do not rank high on the domestic and foreign policy agendas of the BSEC member states and are rarely mentioned in the political or diplomatic contacts with other partners. Apart from the solemn joint declarations at senior political level, the allocation of attention and material or human resources for high-profile regional projects and for the proper functioning of the Organization has been sporadic at best.

The most telling confirmation of this unsatisfactory state of affairs is, probably, the fact that the business communities in the region's countries do not find it useful to bring their problems and possible grievances to the attention of the BSEC. Obviously, the BSEC has to become a lot more responsive to the legitimate demands of its stakeholders. The simplest way to do this is to ensure the implementation of agreed regional goals through consistent legislative and administrative action at a national level. Adequate monitoring and accountability procedures are crucial in this respect.

5. Values versus pragmatism. Even though the BSEC Charter of 1998 clearly states that regional cooperation should be "based on human rights and fundamental freedoms, prosperity through economic liberty, social justice, and equal security and stability", the question of shared values has always been a point of contention within the Organization, albeit in a muted form. Questions like the rule of low, fair and expeditious recourse to justice, or freedom of the media are seldom discussed in the BSEC format. Even though the subject of institutional renewal and good governance has been on the BSEC agenda since 2005, progress on substance has been slow.

For more or less understandable reasons, the idea of a pragmatic approach, even if it means settling for the lowest common denominator, has often been invoked. In certain areas, this may make sense, but there is a realistic possibility to do more. The very fact that all BSEC countries accept the normative framework of the Council of Europe and the jurisdiction of the European Court of Human Rights offers a reliable foundation for further positive action.

II. Sustainability: The new mantra

Regardless of the various national priorities or political preferences, the concept of sustainable development is widely accepted in the countries of the Black Sea region not just as one of the possible options but as the only rational prospect for the future. The notion of sustainability is not politically controversial, it is fully consistent with the international commitments of the BSEC member states irrespective of their other affiliations, and it is enthusiastically supported by the most active segments of the civil society, especially the younger generation. Therefore, there is no impediment for it to be adopted as the overriding strategic goal for the Organization of the BSEC, building on the habitual practice of working together and weaving together the various strands of incipient regional cooperation.

Over a space of four decades, the concept of sustainable development has evolved from a theoretical assumption into a practical guide for political action on a global scale mainly through the efforts of the world scientific community under the umbrella of the United Nations. The starting point of that process was the realization that the current development model based on irresponsible and wasteful consumption of the Earth's limited resources could not continue indefinitely and had to be changed. Recent reports highlight the competing demands for vital resources with projections to 2030 and 2050, demonstrating that the current patterns of production and consumption are simply untenable and could result in a global catastrophe much sooner than most people expect. The ongoing international debate is not just about the impending dangers and the dreadful costs of inaction. It increasingly focuses on realistic and affordable solutions that rely on examples of best practice and innovative approaches in various parts of the world. Such examples of successful entrepreneurship in organic farming and eco-tourism are also to be found in the wider Black Sea space.

The philosophy of sustainable development is built on the premise that human civilization is a component of the global ecosystem and depends on its stability and capacity for self-reproduction and adjustment. Sustainability has become the new development paradigm seeking to restore and preserve a rational balance between economic growth and the integrity of natural environment in ways that society is prepared to understand, internalize and accept.

It stands to reason that, once the Organization of the BSEC decides to proclaim that sustainable development on a regional scale is its main strategic objective, a series of practical steps will have to be taken in terms of policy implementation. Recommended action in this respect to be considered at the forthcoming 20th anniversary summit of the BSEC may include:

1. A Summit Declaration spelling out the rationale for a new regional strategy focused on sustainable development and instructing the BSEC executive bodies to draft the required legal and policy documents for adequate implementation and follow-up measures. The new strategic design for the next decade should be seen as a revised and updated sequel to the BSEC Economic Agenda of 2001. The summit may also set an agreed schedule for the adoption of relevant legally binding agreements and executive decisions in the BSEC framework, including possible amendments to the BSEC Charter in order to

reflect the new strategic focus of the Organization.

2. The commitment of the BSEC member states to incorporate the principles and practice of sustainable development into their national legislation, public policies and institutional mechanisms, and to move toward gradual approximation of their legal or regulatory dispositions, involving also the achievement of relative symmetry among the national institutions responsible for the implementation of the agreed BSEC goals.

3. The establishment of a BSEC streamlined monitoring and reporting mechanism on the implementation of sustainable development targets. This may further require the preparation of a minimal set of sustainable development indicators to gauge the actual performance of individual BSEC member states as an incentive for further improvement through cooperative regional action.

4. The enhanced regional cooperation for sustainable development could involve a renewed emphasis on such areas as:

- Human resources considering the prevailing demographic trends and their impact on employment, education and training, health and social services, migration and social inclusion;

- Innovation as a source of sustainable growth through bilateral and regional partnerships for the generation or absorption of eco-efficient technologies and processes, promotion of new patterns of production and consumption, preservation of the natural capital, dissemination of success stories and best practice;

- Climate change mitigation through active and precautionary measures for the cross-border management of water resources, land use, pollution control, and environmentally responsible policies in the fields of energy, manufacturing industries, transport, spatial planning, construction standards, public utilities, sustainable agriculture and aquaculture;

- Involvement of the active sections of the civil society, NGOs and the media working closely with the scientific and academic community in the dissemination of knowledge about sustainability through public awareness campaigns.

III. Value added through regionalism: Priority areas

The concept of sustainable development may well provide the missing ingredient for a substantial improvement of regional cooperation inside the BSEC space and in its relations with partners at continental and global level. In fact, the BSEC has been so far only partly successful in initiating projects which could persuasively claim to represent something more than the sum total of individual countries' efforts. The value added of regional cooperation is given precisely by a different sort of arithmetic that multiplies the results not just by pooling resources but rather by striving to achieve superior quality through joint action. This requires clear, realistic goals and a common determination to accomplish them.

The BSEC Economic Agenda for the Future of 2001 enumerated, for the most part correctly, the main areas where improved regional cooperation could really make a difference. But the document fell short of providing specific indications on how to go about it and where the needed resources may come from. No wonder that, ten years after that program was adopted, its main tenets remain valid, by and large, simply because they were so vaguely formulated to start with. When it comes to tangible results, however, the picture, with few exceptions, looks distressingly meager.

That is why the initiative to prepare a revised and updated version of the strategic blueprint for the BSEC is welcome and commendable. The outcome of this endeavor will very much depend on the quality of expert inputs from the BSEC member states in the process of producing a final draft.

The attempt to come up with a new set of medium to long-term objectives for the BSEC core business is also justified by the changes that have taken place in the meantime both inside the Organization itself and in the broader international environment. Without going into the intricacies of the shifting regional geopolitics, two elements are worth mentioning: the effects and lingering fallout of the global crisis, and the renewed interest and actual capability of the European Union to assume a more meaningful role in the Black Sea regional affairs. The EU sustainable development targets, standards and practices, even though they are not mandatory for most Black Sea countries, have a considerable impact throughout the region. The vastly changed international circumstances and the internal dynamic of the BSEC itself are forcing the Organization to adapt and adjust in order to maintain and eventually enhance its profile as an institutional expression of the Black Sea regional identity.

Whether the BSEC member states can agree on a new strategic design at the forthcoming 20th anniversary summit in 2012 or not, it appears appropriate to put forward some practical recommendations for further consideration at expert and policy making level. For ease of reference, the suggestions listed below follow roughly the logic of the sector-by-sector approach that was used in the BSEC Economic Agenda of 2001.

1. Regional trade and investment

In conformity with the policy guidelines established at the BSEC summits, the Council of Ministers of Foreign Affairs, as the principal decision-making body of the Organization of the BSEC, should take responsibility for the coordination of all activities, with a special emphasis on economic cooperation. Since the Council holds regularly scheduled meetings, unlike other meetings at ministerial level, it should take the lead in the preparation of a comprehensive Action Plan on trade and investment with precise responsibilities and deadlines in the short and medium term and to review its implementation under a permanent agenda item at every Council meeting.

The relevant sectoral ministerial meetings (economy, finance, energy, transport, agriculture, small and medium enterprises, tourism, science and technology) should plan their agenda in keeping with the priorities spelled out in the summit-level decisions and detailed in the Action Plan, should issue specific instructions for the respective Working Groups or ad-hoc task forces to prepare draft agreements or other legally binding documents, analytical surveys and executive decisions, and should receive, discuss and approve (or not) the thoroughly researched implementation reports.

The activities of the BSEC Permanent International Secretariat, subsidiary organs and related bodies should be adjusted to fit the priorities set at the decision making level without compromising their operational autonomy.

The BSEC Working Groups should be reorganized to include leading experts on permanent assignment in order to ensure continuity and consistency. The higher profile and empowerment of the Working Groups should be complemented by a significantly enhanced role of the BSEC Business Council as a catalyst for new regional initiatives to promote trade, investment and financial cooperation and to provide an active interface with the business communities and professional associations in the member states. Those activities should be centred on:

- Further measures toward trade facilitation and removal of remaining non-tariff barriers to regional trade, without prejudice to the existing international

commitments of the BSEC member states;

- Implementation of accelerated harmonization of regional trade practices in compliance with WTO rules in anticipation of the imminent accession of all BSEC member states to that Organization;

- Establishment of a permanent consultation mechanism, preferably under the aegis of the BSEC Business Council, with the business communities and investors during the early stages of the preparation of draft intergovernmental agreements, policy papers or analytical surveys related to regional economic cooperation;

- Cultivation of a healthy and attractive business climate through increased transparency and accountability, access to public procurement, assured resort to fair and expeditious justice, encouragement of entrepreneurship, development of tourism and leisure, including eco-tourism and wellness industries, and setting agreed quality standards for products and services.

Considering the overall sound performance of the Black Sea Trade and Development Bank (BSTDB), it is advisable to examine further steps toward enhancing its role as a leading regional institution for trade and project financing, including improved capitalization.

In addition to the statistical reporting currently done by the BSTDB, it is worth considering the establishment of a specialized BSEC agency or office charged with the collection, processing and timely dissemination of relevant statistical data covering a broader area of subjects, including demographic trends and migration, human development indicators, transport and travel. Such an agency should also develop, in time, an ability to produce analytical and foresight studies underpinning future policy decisions.

Beyond the confines of economic cooperation in a regional format, the BSEC has to develop a meaningful institutional and operational capacity to present itself as a valid interlocutor in dealing with other partners, in particular the European Union and the twin Caspian-Central Asia region, but also with the dynamic emerging economies of China, the Indian subcontinent, the Middle East and the Mediterranean basin.

2. Energy security

The expectations about the potential for energy to become a major driving force of regional cooperation have been high from the very inception of the Organization. Although the debates on energy have been quite active within the BSEC, the actual results at regional level, apart from bilateral arrangements which are substantial, have been disappointing. The time has come for a shift of emphasis toward a more pragmatic approach, concentrating on those projects that are less politically sensitive and can produce tangible benefits for all participants in terms of economic rationality, cost-effectiveness and compliance with accepted environmental standards within a reasonable time frame.

The experience of BSEC over almost two decades shows that it may be wise to step back from the overambitious, and therefore unrealistic, grand designs and to focus instead on more practical and feasible actions. The activities of the relevant ministerial meetings and working groups would be better advised to tackle subjects of genuine common interest such as:

- Examination of the economic merit of further interconnections among national power grids and pipeline systems, and steps to ensure a gradual harmonization or operational compatibility of technical standards;

- Improving the ability of the national power systems to cope with additional intermittent inputs from renewable or alternative sources through cross-border exchange arrangements, including the introduction, interconnection and smooth operation of smart grids and smart metering schemes;

- Development of a regional emissions trading scheme that should be compatible with the EU green certificates market with an aim to reduce the environmental impact of energy production, transport, distribution and consumption;

- Enhanced regional cooperation and exchanges of best practice to improve energy efficiency, savings and conservation throughout the production to consumption cycle by involving the scientific community and energy companies in the process;

- Expanding such cooperative undertakings to the sphere of new technologies for non-conventional sources of energy (clean coal, carbon capture and sequestration, shale gas) or renewable ones (wind, solar, micro-hydro, biomass, geothermal), and advanced nuclear power generation;

- Measures to alleviate the social implications of energy policies, including practical ways to cope with energy poverty.

Although the experience of South-East European Energy Community may not be applicable to all BSEC member states, it may be advisable to establish an effective consultation mechanism among the national energy regulatory authorities in the BSEC member states.

In order to prepare a regional contribution to the on-going debate on the feasibility of an international agreement regulating the mutual relationships among the actors on the energy scene, it is desirable to appoint a specialist BSEC task force charged with identifying specific legitimate interests (security of supply for consumers, security of demand for producers and security of steady revenue for transit countries) and seeking solutions for mutual accommodation.

3. Transport

Throughout the BSEC region, with few exceptions, the infrastructure and large segments of the means of transport stock require massive investment for upgrading, rehabilitation and improved connectivity. While the responsibility for the development of modern transport systems lies mainly with the national authorities of the BSEC member states, rational resolution of some of the existing problems could be greatly facilitated by resorting to the specific instruments of regional cooperation.

The first order of business is to conduct a long-overdue, thorough review of the actual condition, carrying capacity and cross border links of the existing transport infrastructure in the BSEC space in relation to the current and projected requirements of intra-regional and inter-regional trade flows, to identify the perceived bottlenecks and to agree on a set of priority steps to be taken according to a strictly monitored timetable. This should be the main responsibility of the relevant ministerial meetings and working group activity.

It also appears necessary to take a fresh look at the regional coverage of the existing or planned Trans-European Networks and their connections to the national systems in the BSEC countries in order to produce a joint BSEC view on the real priorities and funding requirements. The timelines for the implementation of the major regional projects that have already been agreed in the BSEC framework (Black Sea Ring Road, Motorways of the Sea) should also be re-examined in that context, taking into account also some political limitations that are mainly related to questions of territorial sovereignty resulting from the residual effects of the protracted conflicts.

In practical terms, the BSEC Working Group on Transport should be expected to produce draft intergovernmental agreements, policy papers for executive decision and analytical studies on such subjects as:

- Active measures toward promoting intelligent and cost-effective transport through multi-modal and inter-modal systems;

- Steps toward reducing transport-related pollution and other environmental impacts, including threats to biodiversity, protected habitats, wildlife migratory routes, integrity of unique landscapes, etc.;

- Identifying additional sources to finance the development, upgrading and safe operation of road, rail, air, maritime and river shipping for passengers and goods by resorting to public-private partnerships, build-operate-transfer (BOT) arrangements or long-term concession contracts;

- Development of an adequate legal and institutional framework for the protection of critical transport and energy infrastructure against natural or man-made disasters and hostile terrorist action.

4. Environment protection and conservation

The principles of sustainable development postulate that the protection, conservation and improvement of the environment should become an integral part of all government policies and programs. Given the fact that pollution and other environmental hazards know no borders, positive action in a regional format is ideally suited for dealing with such problems in a sensible and cost-effective way.

The Organization of the BSEC has something to build on. The ministerial meetings and working group activities operate according to more or less specific guidelines which, unlike most other BSEC documents, also include implementation and monitoring procedures. Cooperation with the Commission on the Protection of the Black Sea against Pollution, established under the Convention signed by the littoral states in 1992, has seen limited, but still welcome, improvement.

All the BSEC members states have subscribed to a significant number of international conventions under the aegis of the United Nations spelling out precise obligations in such areas as climate change, conservation of biodiversity and wildlife, sound management of forests and wetlands, curbs on the production and use of certain types of chemicals, public access to timely information on the state of the environment, and agreed mechanisms for the settlement of possible disputes arising from environmental concerns. In the run-up to the Rio 2 Earth Summit in 2012, the countries of the wider Black Sea region are in a position to report some progress.

Provided the BSEC is prepared to accept the doctrine of sustainable development as the raison d'etre of regional cooperation, it is high time to start in earnest the preparatory work for a comprehensive intergovernmental agreement on environmental matters with precise middle to long-term objectives. Such a legally binding instrument should be complementary to the Bucharest Convention of 1992 and to the existing BSEC Agreement on collaboration in emergency assistance and emergency response to natural and man-made disasters, done in Sochi, 15 April 1998, and its additional protocols. It should also link up with the relevant European Union programmes such as the Black Sea Synergy, Eastern Partnership, the Danube Initiative and Central Asia programme within the broader framework of BSEC-EU interaction.

Further measures for active cooperation on environmental issues could include:

- Joint awareness campaigns to highlight the benefits of cross-border cooperation on environment protection involving national and local authorities, scientific communities, professional associations and non-governmental organizations;

- Development of agreed procedures for the joint administration of national parks or nature reserves that stretch across national boundaries following the pattern and experience of the Natura 2000 program;

- Establishment of functional links with other marine environmental programs, in particular those for the Caspian, Mediterranean and Baltic seas.

5. Food security and safety

In the wake of the recent world financial and economic crisis, dire predictions were made concerning an impending food crisis also related to water shortages and the predictable effects of climate change, including the increased frequency and intensity of extreme weather events. The wider Black Sea area is also going to be affected, although the consequences are going to be different between and within countries according to pedo-climatic zones.

Parts of the region have traditionally been the bread baskets of Europe with a significant input in the continental food production and trade. In any scenario, the region as a whole is most likely to regain and preserve this role both by putting to good use its enormous potential for mass production of grain and livestock and by developing lucrative niches for the expanding market in organic food. Regional cooperation will be crucial in this respect as well as closer ties with the European Union with regard to the transfer of technology and know-how, market access, quality and safety standards, and long-term planning of strategic investments.

On the BSEC side, it is a matter of great importance and urgency to prepare a region-wide survey of the actual state of affairs and national projections concerning rural development, patterns of food production and consumption, related logistical infrastructure, status of property over farming real estate, and current legislative and regulatory dispositions. The study should involve the best professionals in the member states together with international experts. It should also account for the envisaged effects of climate change and contain specific recommendations for mitigating action in a regional format.

Other measures that could be considered in the existing BSEC framework:

- Harmonization of standards for food quality and safety, packaging and labelling in order to avoid unwanted disruptions of regional trade and to achieve conformity with international requirements, including a commitment to accept impartial arbitration procedures for the settlement of possible disputes;

- Compilation of a priority list of major projects that could benefit from a trans-national approach, e.g cross-border irrigation schemes, land improvement, reforestation, etc.;

- Organization of regional fairs or exhibitions specialized in farming produce, machinery and services, including the possibility of opening joint BSEC pavilions at such international events.

6. Education, science and innovation

Regional cooperation in these fields has made steady but still modest progress, considering the considerable potential that still remains untapped. Better prospects are now opening thanks to the fact that most BSEC member states have basically completed the reform of their educational and (in part) scientific

research establishments or are well on the course of doing so. The common ground provided by adherence to the Bologna Process has played a significant role in this respect.

Scholarships and postgraduate or even post-doctoral fellowships in Black Sea studies are now available at leading universities and research centres in several BSEC countries as well as in Western Europe, United States, Japan and China. The body of quality, peer-reviewed publications on subjects related to the Black Sea regionalism has increased considerably and begins to have an impact on policy making. The enhanced regional and international mobility of students, educators and researchers also holds better promises for the future.

For the next stage in the development of the BSEC it would be advisable for the relevant ministerial and working group meetings to focus their attention on specific subjects where a regional cooperative approach can bring tangible results and to agree on realistic plans built upon the existing framework documents that can help mobilize the necessary support from national resources and international cooperation schemes. This will require closer coordination and a permanent operational interface with the EU Framework Programmes for Research and Technological Development and other programs in which all BSEC countries are eligible to participate.

At this stage, the BSEC could concentrate on steps that go beyond the agreed priorities and established practice such as:

- Inviting, as a matter of current practice, experts from other BSEC countries and from the broader international scientific and academic community to take part in the evaluation and ranking of national educational or research institutions;

- Getting actively involved in the design and implementation of the EU-supported project for the establishment of a Black Sea College as a regional postgraduate educational and research institution;

- Enhancing the role of the International Centre for Black Sea Studies in Athens both as a BSEC related body providing expert analysis and draft policy papers for the decision makers, and in its capacity as an independent regional think tank;

- A re-examination of the remit and cost-effectiveness of the BSEC Project Development Fund with a view to commissioning targeted expert studies on a competitive basis concerning the current profile and prospects of regional cooperation in a sector-by-sector approach instead of agonizing over the strictly technical decision whether to grant a small amount of money to a cell research project rather than to a laser technology one, as it appears to be the case at present.

7. Good governance and the rule of law

This subject began to feature as a permanent item on the BSEC agenda at a time when, following the latest wave of EU enlargement into the Black Sea area, the interaction with the European Union became more active. Within the BSEC, those discussions have tended to oscillate between high-sounding proclamations of faith about values and legal or administrative technicalities. The fact of the matter is that serious differences persist among the BSEC countries in terms of systems of governance, primacy of the state, separation of powers, empowerment of the civil society and independent media, while sensitivities about national sovereignty are still strong, often for good reasons.

The conditionalities in the area of good governance and human rights that worked so well with the current EU members during the pre-accession period do not automatically apply to the countries which, though aspiring for eventual EU membership, do not yet have a clear perspective in this regard, or to those that may have other preferences. It is to be expected, therefore, that progress in this sphere will be gradual and uneven, and BSEC's contribution will concentrate mainly on compliance of its member states with the specific commitments to the relevant conventions under the United Nations, Council of Europe or the OSCE.

As a consequence, the scope and content of the BSEC activities for the promotion of democratic institutions and human rights should seek to prioritize those measures that serve the purposes of sustainable development through regional cooperation such as improved institutional and administrative capacity, transparency and accountability of governance, rule of law, predictability and relative stability of legal or regulatory dispositions, and provision of adequate and professionally sound public services to the population.

Practical steps to be further taken in the BSEC framework could include:

- Making fully operational the existing BSEC legally binding agreements for cooperation among law enforcement agencies and exploring the opportunities to supplement the coverage of those agreements by including such new aspects as protection of critical infrastructure and cyber security;

- Examination of the feasibility to expand the BSEC legal framework covering such areas as deeper judicial cooperation (e.g. on the status of migrant workers, extradition, asylum and re-admission), gender equality and social inclusion;

- Expanded exchanges of experience and best practice at the level of national and local authorities, including also representatives of the business associations and the civil society, on the recruitment, training and career paths in civil service, decentralized operation of public or social services, optimal structure of health services and pension schemes, corporate social responsibility, and public-private partnerships in the social sphere.

IV. Black Sea 2020

The approaching summit meeting of the Organization of the BSEC in 2012 provides a unique opportunity to take stock of what has been accomplished so far and to map the way forward. "This must not be a mere festive occasion. It should be an opportunity to renew the commitment of its members to regional cooperation and to inaugurate an overhauled BSEC in order to make it a more relevant regional Organization with greater clout." When BSEC was established in 1992 as a regional initiative, it relied on an imaginative and constructive vision. What is needed now, when the BSEC has become an institutionally mature and functional regional Organization is again a coherent and realistic strategic design for the next decade.

The following suggestions for the possible decisions to be adopted at the BSEC twentieth anniversary summit are mainly based on the conclusions and recommendations of the Commission on the Black Sea, an international undertaking at policy-making and expert level of which this author was a part, in its report A 2020 Vision for the Black Sea Region.

The additional considerations and practical proposals are my own, and they do not necessarily follow the logic of the Commission Report.

1. The BSEC as a driver of Black Sea regionalism

- In the next ten years, the BSEC should aim at developing a legal base of its own through a comprehensive set of intergovernmental agreements in areas of clearly identified mutual interest according to an agreed calendar of priorities, without prejudice to other international commitments of the member

states. Those legal instruments should contain specific provisions for implementation, monitoring and reporting mechanisms.

- The BSEC can hardly claim to be a functional regional organization as long as its budget barely covers the current expenses of its Permanent International Secretariat with little left to meet the costs of other vital activities and projects. Therefore, a substantial augmentation of the BSEC operational budget in a multi-annual perspective is both timely and necessary. Tapping other sources of funding, in addition to the statutory contributions of the member states, should be a matter of permanent concern for the BSEC executive bodies.

- It is desirable to greatly enhance the role and responsibility of the Council of Ministers of Foreign Affairs (CMFA) for the implementation of the policy guidelines set at summit level and for overseeing and assessing the performance of the BSEC executive structures, subsidiary organs and related bodies. If the summit meeting to be held in 2012 decides to adopt a strategy document setting policy priorities for the next decade as a sequel to the BSEC Economic Agenda of 2001, the CMFA should be instructed to prepare without delay a comprehensive Action Plan with rigorous responsibilities and deadlines for implementation.

- The renewed political commitment of the member states to regional cooperation is essential. To that end the BSEC summit may decide to instruct the governments of the member states to hold at least one cabinet meeting every year devoted to the examination of the progress of regional cooperation and the implementation of the BSEC objectives, and to report accordingly to their respective national parliaments and to the BSEC Parliamentary Assembly.

2. The Black Sea security dimension

- As an Organization principally concerned with economic cooperation, the BSEC has so far abstained from getting involved in the substance of security arrangements such as arms control or conflict management and resolution, although all its summit declarations constantly proclaimed the commitment of the member states to regional security and stability. The forthcoming summit may wish to reiterate that engagement with particular reference to point 4 of the Istanbul Decennial Summit Declaration of 2002 instructing the CMFA "to consider ways and means of enhancing the contribution of the BSEC to strengthening security and stability". This appears to be important since a working paper to that effect was actually prepared and adopted at expert level but was never endorsed as an official BSEC document.

- The continued existence of the protracted (or 'frozen') conflicts has been recognized as a major impediment to economic and other forms of regional cooperation. In order to enhance a sense of regional ownership and responsibility of the BSEC member states on security matters, it makes sense to seek their endorsement at the highest level for any agreements that may be reached in the established facilitating formats on conflict resolution, provided such accords are valid in terms of international law and are freely accepted by the states concerned in accordance with their constitutional procedures.

- In case the on-going Corfu Process under the aegis of the OSCE makes meaningful headway, it should not be inconceivable to develop a regional Black Sea security component of a possible broader arrangement along the lines of the confidence and stability building measures described in the Helsinki Final Act of 1975 and the 'Southern Flank' provisions of the revised Conventional Forces Europe (CFE) Treaty of 1999. It is preferable for the BSEC, as the representative Organization of a region between regions, to seek practical ways to be part of that process. Otherwise, as some authors suggested, "a new Black Sea Security Cooperation Organisation could be created to deal with regional security issues, in particular territorial disputes and trans-national energy relations."

Since it may not be realistic to expect that all the newly proposed initiatives can meet the consensus of the BSEC member states and find their way into the documents to be adopted at the summit of 2012, it seems appropriate to keep the list of those and other ideas in store for further consideration in the established executive structures of the Organization.

Endnotes

1 For the complete texts of the BSEC official documents and policy statements see Dimitrios Karabelas and Ioannis Stribis, comp., *The BSEC at Fifteen: Key Documents, 1992-2007* (Athens: ICBSS, 2007); for the years 2007-2011, plus information on the BSEC structure, partners and current activities see http://www.bsec-organization.org.

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17 For a comprehensive and permanently updated bibliography see the chapter on "Recent Publications on the Black Sea Region," in *The Black Sea Monitor series* (Athens: ICBSS, 18 issues from 2006 to April 2011), at www.icbss.org.

18 George Bonas, *Science and Technology in the BSEC Region: Proposals for Enhanced Cooperation*, ICBSS Policy Brief, no. 4 (Athens: ICBSS, 2007).

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