

Black Sea NEWS

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The Newsletter of the Black Sea Economic Cooperation under the supervision of BSEC Permanent International Secretariat sponsored by the Black Sea Trade and Development Bank

editorial

Dear Readers,

I would like to welcome you to our first issue of 2008. The year that passed was an eventful and important one. Following the Serbian Chairmanship-in-Office, which witnessed the signature of legal documents of major importance for BSEC cooperation, the Turkish Chairmanship that covered the period of May-October 2007 implemented a comprehensive calendar of events, embracing almost all of the main areas of cooperation of our Organization. As of 1 November 2007, Ukraine has assumed the Chairmanship-in-Office. The calendar of meetings and activities of the new Chairmanship is designed to sustain the promising momentum achieved in BSEC cooperation.



One of the main highlights of the year 2007 for BSEC was its 15th Anniversary Summit which was held in Istanbul on 25 June 2007. Work is already fast underway with a view to implementing the conclusions of the Summit, which are reflected in the Declaration that was adopted by the Heads of State and Government of the BSEC Member States at the end of the Summit.

The Ankara Declaration that was adopted at the 17th Meeting of the Council of Ministers of Foreign Affairs of the BSEC Member States on 25 October 2007 gave us precise instructions on the follow-up that is required for implementing the operative paragraphs of the Istanbul Summit Declaration. These operative paragraphs particularly pertain to the areas of energy, trade, transport, environmental protection, relations with the EU and the attainment of the UN Millennium Development Goals.

Among these, one of the areas which promises progress in 2008 is BSEC-EU interaction. As you will recall, the Commission of the European Communities was granted Observer status in June 2007, thus becoming the 18th Observer in BSEC. The new level of our enhanced relations with the EU will be officially inaugurated in Kiev on 14 February 2008. There, the Ministers of Foreign Affairs of the Countries of the Black Sea Area will meet with their counterparts of the EU for the first time in BSEC history. This meeting will be preceded by a Special Meeting of the BSEC Council of Ministers of Foreign Affairs in which the EU Troika will also participate. If 14 February is important, the day after is even more significant since from then on, the practical work of our interaction with the EU will start.

In the area of trade, various initiatives have been launched recently within the framework of our Organization to contribute to the improvement of the intra-BSEC trade situation. Turkey and the BSEC Business Council have made a joint proposal to conduct a project to identify and eliminate non-tariff barriers to trade. This project is already underway. We expect from the representatives of the business support organizations in our region to feel free to voice out and to share with us concerns they might have regarding goods or services that their member organizations wish to trade or perhaps investments which they would like to make in the BSEC countries, in the process of which they encounter non-tariff barriers. In this way, we can try to swiftly address these problems within the existing BSEC mechanisms and do our best to contribute to their alleviation and hopefully eventually to their resolution.

BSEC cooperation in science and technology was another area where we saw progress. The Midterm Meeting of the Ministers Responsible for Science and Technology of the BSEC Member States was held in Istanbul on 31 October 2007. At the end of the meeting, the "Istanbul Statement of the Ministers Responsible for Science and Technology of the BSEC Member States" was adopted and the "Midterm Report on the Implementation of the BSEC Action Plan on Cooperation in Science and Technology" was approved. These documents are expected to give further impetus to the work being conducted in this field, which is acknowledged as one of the priority areas of cooperation within BSEC.

Another sphere where we have witnessed concrete developments recently is the relations of BSEC with other international organizations, especially, the United Nations. The relations between BSEC and the United Nations Development Programme (UNDP) have been growing firmly. The Kick-off Meeting for the Black Sea Trade and Investment Promotion Programme (BSTIP) - the first joint project between the two Organizations - was held in Athens on 3 December 2007. The project, which is co-financed by the Government of the Hellenic Republic, the Government of Turkey, the UNDP and BSEC, aims to develop trade and investment linkages among the BSEC Member States, with the direct participation of the business communities of the BSEC countries. This will be done through identifying the untapped potential in the BSEC region, organizing sector-focused events and partnership fora and other trade and investment promotion events, as well as supporting networking mechanisms among the business communities of our region.

We believe that intra-regional trade and investment cannot be promoted without the direct participation of the business community. Private sector driven initiatives designed for the specific purpose of expanding intra-regional trade and investment have been absent in the Black Sea region up to now. The BSTIP is important in this respect. It is basically a response to this very need.

We are working hard for the success of the Meeting of the Council of the Ministers of Foreign Affairs to be held in Kyiv, in April 2008, where Agreements on Visa Facilitation for Professional Drivers and Businessmen who are nationals of BSEC countries will be signed. We expect these Agreements to contribute to increasing trade and investment flows among the countries of the BSEC Member States.

Apart from trade, an inter-related field, namely, cooperation in the area of transport is expected to continue to be high on the BSEC agenda in 2008. Although it has not legally come into effect yet, in a display of determination to work fast on the Memorandum of Understanding on the Coordinated Development of the Black Sea Ring Highway, the Steering Committee pertaining to the said Memorandum has already met three times, the last one being on 15-16 January 2008 in Istanbul, and has agreed on almost all of the basic documents related to the implementation of the Memorandum. This is indeed very encouraging. In this way, when the Memorandum enters into force, we can immediately proceed with the implementation phase and make quick progress. The Steering Committee is planned to hold its fourth meeting in April 2008.

Significant progress was also achieved in the meeting of the Ad Hoc Working Group on the Development of the Motorways of the Sea in the BSEC Region that was held in Piraeus, Greece, on 29-30 January 2008. Its Draft Rules of Procedure were, in principle, agreed upon and they are expected to be finalized at the second meeting of the Working Group that will be held in late March. Our objective is to achieve as much progress on the ground as possible on the implementation of these two major inter-related projects by 2014, when Sochi will host the Winter Olympics.

Besides working on strengthening cooperation in different fields, we have also been concentrating on various structural and systemic improvements within our Organization. Upon the initiative of the Hellenic Republic, we are in the process of modernizing the structure of our budget, making it more transparent and thus facilitating the practical implementation of the recognition by OECD/DAC of BSEC as an eligible recipient of Official Development Assistance.

Wishing all our readers a happy and prosperous new year, I look forward to sharing with you many more developments in BSEC cooperation in our next issue.

Ambassador Leonidas CHRYSANTHOPOULOS

Secretary General of the Organization of the Black Sea Economic Cooperation (BSEC) Permanent International Secretariat (PERMIS)

Interview with H.E. Mr. Volodymyr OGRYZKO, Minister of Foreign Affairs of Ukraine



BS NEWS: Mr. Minister, Ukraine is among the key players in the Organization of the Black Sea Economic Cooperation. What is the nature of Ukraine's interest in this Organization?

V. OGRYZKO: First of all, I would like to remind you that the idea of bringing together the Black Sea states for enhancing regional cooperation was offered by Ukraine in 1920. The Government of the Ukrainian People's Republic (an independent state at that time) addressed the Ministry of Foreign Affairs of the Ottoman Empire through diplomatic channels with a suggestion to hold a conference of the Black Sea states. The conference was to initiate a political and economic alliance that would contribute to stability in the region. One of the main aims of the project was the region's economic revival.

Thus, the economic development of the Black Sea region had long been an issue before the Black Sea Economic Cooperation was finally established.

BS NEWS: What will the Ukrainian Chairmanship-in-Office focus on?

V. OGRYZKO: During its Chairmanship-in-Office, Ukraine intends to give impetus to the consistent implementation of ideas declared in the Final Document of the BSEC 15th Anniversary Summit.

The Black Sea region has well-developed transit facilities. Thus, cooperation in transportation is to be considered as priority. In this respect, we would like to give special attention to the existing plan of building a 7,000 km long highway connecting all the Black Sea states.

Ukraine will host the so-called Black Sea Synergy Meeting of the Foreign Ministers of the countries of the Black Sea region and the European Union. The meeting is to take place in Kyiv on 14 February 2008. We hope that it will be a good forum for discussing the ways of practical cooperation between the Black Sea region and the EU. We should definitely combine the great economic power of the EU with the high potential of the Black Sea region. I hope the meeting will have practical outcomes and make way for a number of joint projects, above all in the area of infrastructure.

BS NEWS: How do you view the future of BSEC?

V. OGRYZKO: The Black Sea area is acquiring an important role with regard to European as well as world affairs. Surely, the success of BSEC largely depends on its cooperation with the EU. The task of enhancing the interaction between the EU and BSEC is reflected, in particular, in the European Parliament's Resolution on the Black Sea Regional Policy Approach adopted by the Committee of the Foreign Relations on 18 December 2007.

The Organization's focus on topical issues such as energy supplies, transportation facilities, trade and tourism gives BSEC a chance to strengthen itself as an international organization. The Organization has all the necessary instruments to be a strong regional partner for other international organizations and institutions. However, the Organization's potential can be realized only if concrete cooperation programs and projects under the BSEC auspices are carried out.

BS NEWS: Apart from diplomats, who are the engines of cooperation within BSEC?

V. OGRYZKO: I may assure you diplomats are not alone here. BSEC Ministers of Trade, Transport, Energy and Heads of Customs Services have regular meetings. These meetings are followed by appropriate steps at the national level. Ukraine wants these meetings to be more frequent and more saturated with practical initiatives.



Family photo from the 17th Meeting of the Council of Ministers of Foreign Affairs of the BSEC Member States in Ankara on 25 October 2007.



17th Meeting of the Council of Ministers of Foreign Affairs of the BSEC Member States in Ankara on 25 October 2007.



Getting ready for the family photo.



Turkey handing over the Chairmanship-in-Office of BSEC to Ukraine in Ankara on 25 October 2007.

BLACK SEA TRADE AND DEVELOPMENT BANK (BSTDB)



BSTDB authorized capital increased threefold

Following the dynamic development of the BSTDB in recent years, particularly its improved financial fundamentals and fast growing portfolio, the BSTDB Board of Governors decided to increase the authorized capital of the Bank from SDR 1 billion to SDR 3 billion (approx. USD 4,8 billion).

The Board of Governors additionally authorized the offering of SDR 1 billion for subscription by the existing 11 Member States, thus increasing the subscribed capital to SDR 2 billion. The paid-in portion of the newly subscribed capital will be 30%, with 70% callable - in line with the current capital structure.

This capital increase will greatly assist the BSTDB in the implementation of its development mandate in the region. Specifically, it will allow the Bank to participate in bigger investment projects and will enhance the terms on which it is able to offer medium to long-term financing to its clients in the Member States.

As a result, Moody's has upgraded the outlook for its BSTDB credit rating of Baa1 from stable to positive.

New BSTDB Vice President Operations assumes duties

Following a proposal of the Government of Ukraine, the BSTDB Board of Directors appointed Mr. Vitalii Mygashko as Vice President Operations. Mr. Mygashko assumed his duties on 1 October 2007 for a period of 3 years.

Mr. Mygashko started his banking career at the National Bank of Ukraine, where he held progressively responsible positions during the period 1992-1997, being in charge of international banking relations and capital markets. From 1997-2001, Mr. Mygashko served as the First Deputy Chairman of the Board/Treasurer of the ING Bank Ukraine. In 2001, he was appointed Chairman of the Board of NRB Bank-Ukraine for a period of three years. From 2004 to 2005, he was the Chairman of the Board of JSC Energobank, responsible for the restructuring of the Bank. In April 2005, he was appointed First Deputy Chairman of the Board of CJSC Vneshtorgabank in charge of financial planning, funding of active operations and cooperation with international financial institutions.

BSTDB loan to Azerbaijan for mortgage financing

BSTDB provided Technika Bank of Azerbaijan with a USD 8 million 6-year bank to bank loan for mortgage financing. The BSTDB financing will help meet the high demand for mortgage loans in Baku and the other regions of the country.

BSTDB's trade finance program for Ukraine

BSTDB selected OJSC "Kreditprombank" from Ukraine as a financial intermediary for the implementation of its trade finance program in the country. BSTDB will extend a revolving trade finance facility of up to USD 10 million directed to Ukrainian exporters and importers doing business in and beyond the Black Sea region. OJSC "Kreditprombank" became BSTDB's third financial intermediary in Ukraine, with a similar BSTDB financial facility provided to First Ukrainian International Bank and an SME credit line extended to Procredit Bank.

BSTDB and 30 leading development finance institutions(*) bring corporate governance to the forefront of their mission

Signing the Statement on the Corporate Governance in Washington on 19 October 2007, Mr. Kaplan, BSTDB President said: "It is a very important part of our mission to promote principles and high standards of corporate governance in relations with our clients in the Black Sea region. We see it as a contribution to the formation of sound market economies and sustainable economic development."



DFIs' representatives at the signing ceremony in Washington.

This is the first initiative of this nature taken by development financial institutions (DFIs). It highlights the increased role of good corporate governance as a facilitator of international capital flows to emerging market companies. The group of signatories recognizes that DFIs can play a critical role in promoting good corporate governance practices in emerging markets. As such, the DFIs aim to raise awareness, at both the private and public sector levels, of the importance of good governance on sustainable economic development.

(*) The signatory DFIs include:

Asian Development Bank, African Development Bank, AWS, BIO, BSTDB, BCIE, CAF, CDC, COFIDES, Development Bank of Southern Africa, DEG, East African Development Bank, EBRD, EIB, FINNFUND, FMO, IADB/IIC/MIF, IDC, IFC, IFU, Islamic Development Bank, Norfund, OPIC, PROPARCO, PTA Bank, SBI, Sifem, SIMEST, SWEDFUND, IBRD, DFCU

BSTDB supports the energy sector in Ukraine

BSTDB provided a 7-year corporate loan of USD 21 million to the Ukrainian oil-and-gas company NJSC Chornomornaftogaz to strengthen its core activities. The loan which will be used to support drilling, repair works, equipment, underwater pipelines, special soil and water works, is expected to have a high development impact on the country's output of energy resources. This is the second BSTDB financing to Chornomornaftogaz, following a USD 20 million loan extended in 2004.

PARLIAMENTARY ASSEMBLY OF THE BLACK SEA ECONOMIC COOPERATION (PABSEC)

Thirtieth Plenary Session of the PABSEC General Assembly Tbilisi, 10-12 December 2007



Family photo from the Thirtieth Plenary Session of the PABSEC General Assembly in Tbilisi on 12 December 2007.

PABSEC held the Thirtieth Plenary Session of its General Assembly on 10-12 December 2007 in Tbilisi. The topic of the General Debate was "Contribution of Energy Security to Economic Growth and Overall Security in the Black Sea Region." The participants stressed the strategic importance of the Black Sea region as a production and transit area, as well as the need for the diversification and security of the energy supply in terms of both energy transport corridors and energy sources. Due to the current environmental situation in the Black Sea region, the speakers urged the BSEC Member States to develop and to use environmentally friendly technologies in the field of energy and to enhance cooperation in addressing the issue of climate change. During the debate, the idea of creating a common database in the field of energy strategy was discussed. It was acknowledged that the growing significance of the region in the world energy market must be properly assessed and understood by all concerned parties in order to effectively conduct coordination activities in the energy sector.

The Assembly held debates on the Reports and Recommendations drafted by the PABSEC Specialized Committees during their autumn meetings – "The Priorities of Cooperation Between the BSEC Member States in the Field of Energy: Oil and Gas Spheres," "Global Climate Change: Consequences for the BSEC States" and "Improvement of Quality of Life in the BSEC Member States." The Assembly adopted Recommendations on these subjects

addressed to the Parliaments and Governments of the Member States and to the Organization of the BSEC.

The Assembly also discussed the main activities carried out by BSEC, in particular the Seventeenth Meeting of the Council of Ministers of Foreign Affairs of the BSEC Member States held in Ankara on 25 October 2007, as well as the Ministerial Meetings held during the Turkish Chairmanship-in-Office (May-October 2007).

The PABSEC members elected Mr. Petar Kanev (Bulgaria), as the Vice-President of the Assembly, until June 2009.

In accordance with the PABSEC Rules of Procedure, starting with the end of the Thirtieth Plenary Session in Tbilisi, on 12 December 2007, Greece has assumed the PABSEC Presidency for a six-month term. The 2008 Spring Plenary Session of the PABSEC General Assembly will be held in Athens on 27-29 May 2008.



Meeting of the PABSEC Bureau in Tbilisi on 10 December 2007.

Upcoming Meetings

PABSEC will mark its 15th Anniversary on 26 February 2008 by organizing an Enlarged Meeting of the PABSEC Bureau with a wide participation of personalities who have brought their contributions to the activities of PABSEC.

Also, during the spring of 2008, the three PABSEC Committees will debate and draft recommendations on subjects of major importance for the countries of the Black Sea region.

The Thirtieth Meeting of the Economic, Commercial, Technological and Environmental Affairs Committee will be held in Tirana on 5-6 March 2008. At this meeting, the members will discuss a Draft Report and a Recommendation on the "Foreign Investments and the Economic Development of the BSEC Member States."

The Thirtieth Meeting of the Cultural, Educational and Social Affairs Committee will be held in Sofia on 26-27 March 2008. The members of the Committee will discuss the Draft Report and the Draft Recommendation on "Social Cohesion within the BSEC Member States: Contribution to Political Stability."

The Thirty-First Meeting of the Legal and Political Affairs Committee will take place in Yerevan on 16-17 April 2008. The main item on the agenda will be the "Role of the Parliaments of the BSEC Member States in Fighting International Terrorism."

After these meetings, the PABSEC will hold the Thirty-First Plenary Session of its General Assembly in Athens on 27-29 May 2008. The members of the Assembly will have debates on the Reports and Recommendations drafted by the PABSEC Specialized Committees during their spring meetings and will then adopt the Recommendations on these subjects addressed to the Parliaments and Governments of the BSEC Member States. Within the framework of the Thirty-First Plenary Session of the PABSEC General Assembly, the Summit of the Presidents of Parliaments of the PABSEC Member Countries will be organized in order to mark the 15th Anniversary of the establishment of the PABSEC.

PABSEC – BSEC Cooperation

The PABSEC International Secretariat and the BSEC PERMIS have continued their close cooperation and their participation in each others' activities. The Thirtieth Plenary Session of the PABSEC General Assembly in Tbilisi was attended by Ambassador Leonidas Chrysanthopoulos, Secretary General of the BSEC PERMIS, as well as the representative of the Ukrainian Chairmanship-in-Office of BSEC.

The first ever Joint Meeting between the BSEC Committee of Senior Officials, the PABSEC Bureau and International Secretariat will be held on 27 February 2008 at the BSEC PERMIS Headquarters in Istanbul. The said meeting will provide the opportunity to jointly analyze more closely issues related to the cooperation between BSEC and the PABSEC.

BSEC BUSINESS COUNCIL

Business Council AGENDA 2010

The Declaration adopted by the Heads of State and Government of the BSEC Member States on the occasion of the BSEC Fifteenth Anniversary Summit held in Istanbul, on 25 June 2007, emphasized the importance of the role of the business communities in the BSEC Member States in promoting economic cooperation and development in the region and underlined the contribution of the BSEC Business Council in catalyzing business cooperation and promoting innovation. In the said Declaration, the Heads of State and Government of the BSEC Member States envisaged an increased role for the Business Council in the future in facilitating the process of identification and elimination of trade barriers and business/investment disincentives towards greater economic and trade integration and the establishment of a favorable business and investment climate in the Black Sea region.

To implement this mandate in a dynamic, systematic and focused way, the BSEC Business Council took a decision at its Board Meeting in Istanbul, in October 2007, to go through a process of restructuring. Its new way of work will be based on an increased involvement of the business communities and

interaction with key BSEC Working Groups and Related Bodies. The vehicle for this restructuring will be the BSEC Business Council AGENDA 2010.

The core element of the AGENDA 2010 is the establishment of four Task Forces that will deal with the implementation of the main objectives of the Business Council.

The Task Force on Intra-Regional Trade will deal with various kinds of barriers to trade and with cross-border trade facilitation issues, as well as the promotion, within BSEC, of the idea of establishing a Free Trade Area. This Task Force will establish cooperation with the relevant EU bodies, OECD, World Bank, EBRD and other related institutions and actively participate in the meetings of the BSEC Working Group on Trade and Economic Development. The members of this Task Force are Armenia, Azerbaijan, Greece, Moldova, the Russian Federation and Turkey.

The Task Force on Business and Investment Environment will deal with administrative barriers, corruption and the reforms pertaining to the business and investment environment in each BSEC country. It will also promote the

BSEC countries and the BSEC region as a whole as FDI destinations for international business. This Task Force will develop a strategic relationship with the OECD, World Bank and other relevant organizations and actively participate in the meetings of the BSEC Working Groups on Trade and Economic Development and SMEs. The members of this Task Force are Albania, Azerbaijan, Georgia, Greece, Moldova, Romania, the Russian Federation, Serbia and Ukraine.

The Task Force on SME Competitiveness will aim to promote business innovation and competitiveness. It will ensure the continuous improvement of the Business Council's web-based Black Sea Information Gateway, which has already proved a successful tool for businesspeople seeking information on how to conduct business in the region, as well as the improvement of the Black Sea Business Information Network-BSBIN. One of its other objectives will be to undertake the successful organization of business conferences. It will establish close cooperation with the national SME organizations and associations, with external consultants as well as with INSME and will actively participate in the meetings of the BSEC Working Group on SMEs. The

members of this Task Force are Greece, Moldova, the Russian Federation and Ukraine.

The Task Force on Business-Institution Capacity Building will facilitate the process of improving the capacities of the Chambers of Commerce and Industry of the BSEC countries in promoting the interests of the business communities vis-à-vis the policy makers in each country, as well as to help create new sectoral associations that can pursue activities in favor of their members. It will also cooperate with other regional bodies which have similar objectives. The members of this Task Force are Albania, Armenia, Georgia, Greece, Moldova, Romania, the Russian Federation and Serbia.

These Task Forces have already become operational as of January 2008. The Business Council will continue contributing to the BSEC process through other Working Groups having business-related dimensions in their work as well. In that connection, it may decide to create new sectoral Task Forces in areas such as energy, transport and environment if the need may arise in the future.

INTERNATIONAL CENTRE FOR BLACK SEA STUDIES (ICBSS)

The ICBSS has concluded the year 2007 with yet more publications, events and also some institutional changes. Thus, the Centre published two Xenophon Papers focusing on energy cooperation among BSEC Member States and on the wider strategic implications affecting the region, authored by the renowned experts John Roberts and Dr. Ian O. Lesser, respectively. All ICBSS publications are available for free download from www.icbss.org and hard copies can be obtained on request.

New Board of Directors in ICBSS

At the end of the year the ICBSS welcomed its new Board of Directors which was appointed at the 27th Board Meeting, held in Athens on 10 November 2007, with the mandate effective as of 21 December. While Dr. Dimitrios Triantaphyllou was re-elected as ICBSS Director General, the Centre's new Alternate Director General is Ambassador Tedo Japaridze, Former Minister of Foreign Affairs of Georgia and Former Secretary General of the BSEC PERMIS. Moreover, Ambassador (R) Jean Cadet, Head of the Court of Auditors in Paris and Dr. Fraser Cameron, Director of the EU-Russia Centre in Brussels joined the Board of Directors as personalities of international standing.

ICBSS Activities for 2008: Promoting Synergies Across Regions on its 10th Anniversary

The ICBSS team is now looking forward to an eventful year 2008 which will mark the Centre's 10th Anniversary.

Kicking-off the year, the ICBSS and 22 partners have launched "The Science & Technology International Cooperation Network for Eastern European and Central Asian countries" (IncoNet EECA) project which is co-funded under the EU's 7th Framework Programme for Research and Technological Development (FP7). With a duration of four years and a total budget of approximately 3.5 million, the IncoNet EECA envisages several activities aiming at an enhanced policy dialogue and cooperation between EECA countries and the EU in science and technology and at an increased participation of researchers from these countries in FP7. The first consortium meeting took place in Athens on 16-18 January 2008 with great success.

Aside from project specific work, the Centre will continue its research, advocacy and networking activities, always aiming to contribute to enhanced multilateral cooperation in the wider Black Sea area and with international partners in areas reaching from BSEC-EU interaction to good governance and institutional renewal, energy cooperation and regional cooperation, true to its motto "Promoting Synergies Across Regions."

FROM THE BSEC PERMANENT INTERNATIONAL SECRETARIAT (PERMIS)

Midterm Meeting of the Ministers Responsible for Science and Technology of the BSEC Member States, Istanbul, 31 October 2007

The Republic of Turkey, in its capacity as the Chairman-in-Office of BSEC (May-October 2007), organized successfully the Midterm Meeting of the Ministers Responsible for Science and Technology of the BSEC Member States in Istanbul, on 31 October 2007. The Meeting which was chaired by Prof. Dr. Mehmet AYDIN, Minister of State Responsible for Science and Technology of the Republic of Turkey, was attended by the Ministers and representatives from 10 BSEC Member States, as well as the representatives of the BSEC Related Bodies and Observers.

At the end of the meeting, the "Istanbul Statement of the Ministers Responsible for Science and Technology of the BSEC Member States" was adopted and the "Midterm Report on the Implementation of the BSEC Action Plan on Cooperation in Science and Technology" was approved. The said documents, envisaging various concrete projects, are expected to give further impetus to cooperation among the Member States

in the sphere of science and technology, which is acknowledged as one of the priority areas of cooperation in BSEC. Cooperation with the EU in this field was also on the agenda of the meeting.



Midterm Meeting of the Ministers Responsible for Science and Technology of the BSEC Member States in Istanbul on 31 October 2007.

Meeting of the BSEC Working Group on Education Istanbul, 13-14 December 2007

The BSEC Working Group on Culture held a meeting at the BSEC Headquarters in Istanbul, on 13-14 December 2007.

The participants of the meeting discussed issues pertaining to the implementation of the two-year Action Plan of BSEC on Cooperation in the Field of Education (2006-2008) and the Joint Athens Declaration of the Ministers Responsible for Education of the BSEC Member States on Cooperation in Higher Education and University Research (2005). Turkey proposed to organize a conference in 2008 on cooperation in the development of national frameworks of qualification with an aim to achieve better compatibility of the educational systems in

the BSEC region, which was welcome by the participants.

The Hellenic delegation proposed a project on creating a network and a web-site dedicated to educational issues of the BSEC Member States. The participants decided to proceed with the elaboration of the said project proposal.

Another result of the meeting was a decision to explore ways to establish cooperation with the BSEC Working Groups on Culture and Science and Technology with a view to launching joint activities in areas of common interest.

Second Annual Conference and Annual Lecture by ICBSS on the European Union and the Wider Black Sea Area

A highlight of its autumn 2007 agenda, the Centre convened more than 120 participants at its Second Annual Conference and Annual Lecture, held in Athens on 9 November 2007. On the eve of the joint event, the ICBSS held a seminar on inter-parliamentary cooperation between the Black Sea and the EU countries, linking to the overarching theme of the conference "The European Union and the Wider Black Sea Area". The Second ICBSS Annual Lecture was imparted in this framework by Dr. Zhelyu Zhelev, President of the Balkan Political Club and Former President of Bulgaria. A webcast and further documentation on the joint Conference and Lecture are available on the ICBSS website.



Asim Arar and Dimitrios Triantaphyllou opening the Second ICBSS Annual Conference in Athens on 9 November 2007.



Zhelyu Zhelev imparting the Second ICBSS Annual Lecture in Athens on 9 November 2007.

Meeting of the BSEC Working Group on Culture Istanbul, 17-18 January 2008

The second meeting of the BSEC Working Group on Culture was held at the BSEC Headquarters in Istanbul, on 17-18 January 2008. At the meeting, a two-year Action Plan was adopted and a number of project proposals made by the Member States were discussed. The participants decided to hold the next BSEC Ministerial Meeting on Culture (Mid-term Meeting) in the first

half of 2009.

The representatives of the Republic of Armenia and the Republic of Azerbaijan expressed their willingness to organize conferences on inter-cultural dialogue among the BSEC countries in the near future, which was welcome by the members of the Working Group.

Black Sea Trade and Investment Promotion Programme (BSTIP) Kick-off Meeting, Athens, 3 December 2007

The Kick-off Meeting of the Black Sea Trade and Investment Promotion Programme (BSTIP) took place in Athens on 3 December 2007. BSTIP is the first joint project between BSEC and the United Nations Development Programme (UNDP). It is co-financed by the Government of the Hellenic Republic, the Government of Turkey, the UNDP and BSEC.

The BSTIP aims to develop trade and investment linkages among the BSEC Member States, with the direct participation of the business communities of the BSEC countries. This will be done through identifying the untapped potential in the BSEC region, organizing sector-focused events and partnership fora and other trade and investment promotion events, as well as supporting networking mechanisms among the business communities of the region.

BSTIP is an initiative which has been launched jointly by public organizations, but is essentially a private sector driven one. Its success rests on the active involvement of business support organizations in all BSEC Member States in identifying the priority goods and services sectors having the highest intra-regional trade and investment potential.

An important element of the BSTIP is that it also aims to advocate responsible investments through promoting the adoption of the principles of the United Nations Global Compact in the BSEC region. Increasing awareness on these principles is expected

to strengthen the business environment and the investment approach in the BSEC Member States, in line with the highest international standards.

Before the Kick-off Meeting in Athens, a study on the BSEC trade and investment potential was conducted and disseminated by the UNDP, which gives an overview of the current situation, as well as the potential with regard to intra-BSEC trade and investment.

During the meeting, the national business support organizations from all 12 BSEC Member States designated as BSTIP focal points were invited to represent their respective countries and to make a presentation on a list of sectors which they deemed as priority. On the basis of the consensus reached during the discussions conducted on the lists of priority sectors, it was decided that in its first phase, the BSTIP would focus on industrial machinery, agro-food, tourism and related services, international communication technology services, logistic services, construction materials and business services sectors. Within this framework, various matchmaking events and partnership fora on the identified sectors will be organized in 2008 and 2009 in order to assist the establishment of concrete trade and investment linkages among the private sector institutions of BSEC countries. More information on the BSTIP and the Kick-off Meeting can be found at www.undpforblacksea.org.