

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,

In this issue we want to inform you about the outcome of our 15th Anniversary Summit that was held in Istanbul on June 25th. It was the most successful ever Summit. Almost all the Heads of State and Government participated and adopted a Summit Declaration whose contents will guide us towards a successful immediate future.



Following the strategic steps we had already taken in the past 15 months, the Summit Declaration endorses and promotes the new project-oriented policy of BSEC. So, for example paragraph 3 states that our common objective is to further promote and represent BSEC among its people in the various Member States and beyond and encourages cooperation and joint development. Within this context emphasis was given to the implementation without delay of BSEC's two main infrastructure projects, the Memoranda of Understanding on the Development of the Black Sea Ring Highway and of the Motorways of the Sea.

Of course, the Summit Declaration also considers the reform process envisaged in the Bucharest Statement as a continued process in order to enhance the efficiency and effectiveness of the Organization. And it underlines the important role that this process will play in the future in the economic and social development of its Member States, once successfully adapted and implemented. It goes without saying, that the BSEC systems needs to develop accordingly and add more effectiveness and appropriate instruments for conceptual design, policy planning, implementation and monitoring of follow-up activities to their capabilities.

The Summit Declaration also reflected the new period of relations between BSEC and the EU. Paragraph 21 mentions the importance of establishing a strategic relationship between the two Organizations and that BSEC stands ready to define with the EU, guidelines and areas of such a relationship. At the Ministerial Meeting that preceded the Summit, the Commission of the European Community was granted Observer Status to BSEC, a first visible sign that our cooperation initiatives are working and have started showing results. Since then the European Commission has been participating on a systematic basis as an observer in our Working Groups while we are in the stage of preparing a high level kick-off event on Ministerial level between BSEC and the EU. We also held the first informal meeting ever on Ministerial level between the EU Troika and the BSEC Troika on the margins of the Summit, thus inaugurating on our 15th Anniversary, the new era of enhanced cooperation between us.

The credit for the success of this Summit, goes without doubt to the active Turkish Chairmanship, and particularly

to the Ministry of Foreign Affairs who organized the Summit as a whole in an impeccable way. My sincere congratulations for a task well planned and executed.

Immediately after the Summit, our Organization started hard work. The BSEC Ministers of Culture met for the first time ever in Sounion, Greece, on July 3-4, to set forth our Culture agenda. I had the pleasure to attend this meeting and am confident that the projects initiated here will follow our new result-oriented policy and contribute to the reputation of our area as having one of the world's richest cultural heritage. The following day the Ministers of Transport met in Istanbul while previously the Steering Committee of the Black Sea Ring Highway had held its first organizational meeting to prepare the implementation of this significant infrastructure project.

The Black Sea Games were another first for BSEC. Having successfully taken place in the cities of Trabzon, Rize and Giresun they greatly contributed to the promotion of BSEC and proved to its people and the world that the spirit of the Olympic Games continues to be present within BSEC and the Black Sea. In this respect, I want to express my thanks to Turkish television which contributed to a broad and direct coverage of the Games throughout the BSEC region.

And to continue the row of firsts: a joint BSEC-USA Symposium on environmental protection was held in Istanbul on September 12 and 13. It was the first active participation of the U.S. in BSEC activities as an Observer State and represents a clear interest in our region and its environmental activities.

The Turkish Chairmanship-in-Office hosted an informal meeting of the BSEC Ministers of Foreign Affairs that was held in New York on 2 October 2007 during which the Ministers openly discussed on the future of BSEC.

Also upcoming is the 17th Meeting of the BSEC Council of Ministers of Foreign Affairs that will meet in Ankara on October 25. It is expected to adopt important decisions that will also be related to the implementation of the Summit Declaration. But this is something for the next issue.

At the end of October, the active Turkish Chairmanship of BSEC comes to an end. It was a very successful one and I am sure that its positive impact will be following us for a long time. On this occasion, I would like to thank both H.E. the President of the Republic of Turkey Abdullah GÜL, who as a Foreign Minister, greatly contributed to the success of the Summit and his successor H.E. Ali BABACAN, who took over and successfully ended the Turkish Chairmanship-in-Office.

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



The Heads of State and Government of the BSEC Member States during the Summit in Istanbul on 25 June 2007 on the occasion of the 15th Anniversary of BSEC.



Meeting of the BSEC Council of Ministers of Foreign Affairs preceding the BSEC Summit in Istanbul on 25 June 2007



Meeting of the BSEC Council of Ministers of Foreign Affairs in Belgrade on 19 April 2007



Meeting of the BSEC Council of Ministers of Foreign Affairs in Belgrade on 19 April 2007



The representatives of the BSEC Related Bodies at the BSEC Council in Istanbul on 25 June 2007

BSTDB holds its 9th Annual Meeting of the Board of Governors and the Black Sea Business Day in Moldova



On June 17th, 2007, the Board of Governors of the Black Sea Trade and Development Bank (BSTDB) held its Ninth Annual Meeting in Chisinau under the chairmanship of H.E Mr. Mihail Pop, BSTDB Governor for Moldova and Minister of Finance of the Republic of Moldova.

2006: BSTDB's Record Year

Providing a summary of the Bank's activities and operational priorities, BSTDB President Hayrettin Kaplan pointed out that 2006 was the Bank's most successful financial year. On the operational side, the activities of the Bank expanded and diversified. In 2006, BSTDB signed 22 operations for USD 176 million while the Board of Directors approved 28 new operations for USD 281 million.

In terms of outturns, 2006 again proved the Bank's most successful to date. Relative to 2005-namely the first year during which the Bank posted a net profit- the Bank's net profit increased by 238%, reaching USD 17.2 million.

Operational Priorities for 2007-2010

President Kaplan emphasized that continuity with respect to past commitments and rapid implementation of the Bank's policies would drive the BSTDB operational priorities for the next three years. The Bank's main operational targets are to double its portfolio by 2010 and to further strengthen its credit rating and diversify its portfolio. The Bank will also increase its activities on the smaller countries of operation, where needs are greatest.

Next Annual Meeting of the Bank to take place in Russia



The Board of Governors thanked Mr. Mihail Pop for his successful chairmanship since June 2006 and elected Ms. Svetlana Ganeeva, Governor for the Russian Federation as the new Chairperson of the BSTDB Board of Governors. Governors for Turkey and Albania were elected as the two Deputy Chairmen, for a period of one year

until the next Annual Meeting decided to take place in Russia on June 15, 2008. On the occasion of the Annual Meeting, BSTDB organized the Black Sea Business Day on 18 June 2007. The discussions of the Business Day focused on the role of international institutions in economic development and on the international investments as a catalyst of sustainable development.

The conference, inaugurated by the Prime Minister of Moldova, attracted about 250 Moldovan and international participants representing international banking and business community. Ministers of the Moldovan Government and representatives of IFIs including the European Investment Bank, the European Bank for Reconstruction and Development, International Finance Corporation, Nordic Investment Bank, as well as KfW Banking Group of Germany and other regional investors shared their views on the international development assistance and investment promotion. The Black Sea Business Day offered a good opportunity to interested companies, investors and bankers to discuss business prospects in Moldova and in the wider Black Sea region.

Event supporter



Communication sponsors



New BSTDB Vice-President Banking

Following a proposal of the Government of the Russian Federation, the BSTDB Board of Directors appointed Mr. Andrey L. Kondakov as Vice President - Banking of BSTDB as of 16 July 2007 for a period of 3 years. Having graduated the Economics faculty of the Moscow State University, Mr. Kondakov made his Ph.D in Development Economics and started his professional career as a research fellow in 1982, specializing in international investment project financing. In 1988 he joined the Ministry of Foreign Affairs, Department of International Economic Relations and held progressively responsible positions in Moscow and abroad before becoming Director of the Department in 2002. As of 2006, he became a Member of the Collegiums of the Ministry of Foreign Affairs (Ministerial Board). Mr. Kondakov served as a Russian G8 Foreign Affairs Sous-Sherpa and a member of the Governmental Commission of the Russian Federation on the Accession to the WTO and OECD. Mr. Kondakov headed Russian delegation to the accession talks with the Asian Development Bank and Inter-American Development Bank. In 2003 - 2007 he served as a member of the BSTDB Board of Directors for Russia. Mr. Kondakov is married and has two children.

BSTDB Loan Supports Moldovan Banks

In the frame work of the Black Sea Business Day, BSTDB signed two loan agreements with the Moldovan Banca Sociala and Agroindbank, for Euro 4 million and USD 8 million, respectively. The BSTDB loans will be used to support general banking operations and further business growth of the two banks.

BSTDB Supports the Infrastructure and Energy Sector Development in Ukraine

BSTDB provided USD 26 million as part of a USD 550 million syndicated corporate loan to "Ukrainian Railways", which will support and upgrade the Ukrainian national railway system. The operation will involve the renovation of rolling stock, modernization of tracks, upgrade and renovation of railway stations, depots and bridges. It will further enhance the transportation capabilities of Ukrainian Railways and contribute to the development of economic cooperation between Ukraine and Armenia, Georgia, Moldova, Bulgaria and Romania who are actively using services from Ukrainian Railways. The operation also ensures solid mobilization of capital from outside the Black Sea region and exploits co-financing opportunities with international commercial institutions. BSTDB made available a 7-year USD 36 million to finance the network expansion of NK Alfa-Nafta (ANP) a Ukrainian retail and wholesale petroleum and gas operator. The BSTDB financing will also facilitate the construction or purchase of new gas stations, oil products supply and the organizational restructuring of the company in view of its preparation for IPO in the next 3-4 years. The operation is expected to have a solid regional cooperation impact from servicing international transportation flows running through Ukraine and from importing petroleum products from neighboring countries like Russia and Romania. An 8-year loan of up to USD 14 million from the Black Sea Trade and Development Bank will help petroleum retailer company Concern Galnaftogaz (Ukraine) to expand its network to cover all regions of the country. The operation will involve the construction and modernization of gas filling stations network, including construction of full-scale service complexes across the country. In expanding its network, Galnaftogaz will emphasize applying best business practices and European standards.

BSTDB Increases Export-Import Financing in Georgia

Cartu Bank from Georgia was selected by BSTDB as a financial intermediary to deliver trade finance products in the country. BSTDB will extend an up to USD 1.5 million revolving trade finance facility to Cartu Bank to advance short-term export and import financing to Georgian companies. The facility will be directed to Georgian exporters to finance production and propose better payment terms to their counter-parties under export contracts, as well as to provide short-term financing to importers for importing goods to Georgia from other member countries of BSTDB.

The Business Council Black Sea Business Information Gateway

The Business Council of the Black Sea Economic Cooperation, re-launched its website www.bsec-business.org as the Black Sea Business Information Gateway. This Black Sea Business Information Gateway is a valuable tool for businesspeople across the world, who needs information on how to invest and develop their businesses in the 12 BSEC member countries. It brings together useful links to the most important regional and international business-related Internet sites.



The BSEC Business Council has already been operating this portal very successfully for several years. However, the new Gateway offers to its users even more valuable and up-to-date information, a more user-friendly layout, easier accessibility and navigation.

FIND BUSINESS INFORMATION FOR YOUR INVESTMENT DECISIONS

- Find information on business conditions in each country
- Find macroeconomic data and foreign trade statistics on Black Sea countries
- Find links for Business and Investment Guides and for Tenders in Black Sea countries
- Find calendar of events and business news: fairs, exhibitions, conferences, seminars
- Find information on special projects in the Black Sea region

Additionally, new sections have been included, such as "Trade Barriers" and "Business Guides". Trade Barriers section is a special section devoted to the joint project by the Business Council and Undersecretariat of Foreign Trade of Turkey, entitled "Towards A Black Sea Regional Market: Tackling Barriers-To-Trade". The section contains data on EU Market Access Data, as well as a trade barrier reporting system open to anybody with a problem to file. There is now a Newsletter subscription option which is very easy with an e-mail registration only. This allows receiving all the update information from the site as well as from the Business Council.

Come and explore business information

"Information is a primary need that companies have in trying to develop their business across borders. This is especially true of SMEs, which lack the resources bigger companies have. Responding to this need we have established business information as one of our main strategic directions. We are happy about the positive comments we have been receiving about this business service and we hope that our improved Information Gateway will encourage and help even more companies to explore business opportunities in the Black Sea Region", stated Dr. Costas Masmanidis, Secretary General of the BSEC Business Council. He further stated that the Black Sea Region is becoming a more and more attractive place for foreign direct investments. The benefits that the region offers to potential investors include:

- Big regional market of more than one third of a billion inhabitants
- Fast-growing economies-among the fastest in the world
- Continuously improving business climate
- Strategic location at the centre of Eurasia
- Rich energy resources
- Strategic oil & gas transport routes
- Rich mineral and agricultural resources
- Great tourism destinations and development opportunities
- Excellent science and technology
- Competitive operation costs
- Educated and talented people

Currently, the BSEC Business Council web site includes more than 1000 pages and is visited more than 10 000 times each month, this number increases every day. With its new and rich content www.bsec-business.org will serve as "a Business Gateway into the Black Sea region" and be an increasingly important tool for transmitting information to the businesses in and outside of the BSEC region. Now we invite everybody to explore all the information and subscribe to the newsletter on our homepage.

Further information is available from: INTERNATIONAL SECRETARIAT

Tel : (+90 212) - 229 11 44 or 229 11 14 Fax : (+90 212) - 229 03 3 e-mail: info@bsec-business.org

Meeting of the Deputy Ministers or Chiefs of Executives of the Ministries of Education of BSEC Member States

The Meeting of the Deputy Ministers or Chief Executives of the Ministries of Education of the BSEC Member States was held in Istanbul, at the BSEC Headquarters, on 27-28 August 2007. Representatives from Member States, the PABSEC, the BSEC Business Council and the United Nations Development Program attended the Meeting.

H.E. Assoc. Prof. Hüseyin ÇELİK, Minister of National Education of the Republic of Turkey addressed the participants of the Meeting. Ambassador Andrey URNOV, Deputy Secretary General of BSEC PERMIS delivered a welcoming address to the participants.

The Chairman, Mr. Mehmet TEMEL, Acting Undersecretary of the Ministry of National Education of the Republic of Turkey delivered a very inspiring opening presentation on "New Millennium Education and Training in BSEC Sphere", which gave impetus to interesting discussions on some outstanding issues such as: higher education and university research among BSEC countries, life long learning, information and communication technologies in education and equitable access to quality education.

First Meeting of the BSEC Ministers for Culture

Sounion, Athens, 4 July 2007

The Hellenic Republic, in its capacity of Country Coordinator for the BSEC Working Group on Culture hosted the 1st Meeting of the BSEC Ministers for Culture in Sounion, Athens, on 4 July 2007. The Meeting was chaired by H.E. Mr. George VOULGARAKIS, Minister of Culture of the Hellenic Republic who delivered the opening speech. The Secretary General of BSEC PERMIS, Ambassador Leonidas CHRYSANTHOPOULOS, delivered his speech at the inaugural session.



The Ministers addressed the Meeting and delivered their statements on prospects for cultural cooperation among the BSEC Member States. Other Senior Officials from the BSEC Member States, Related Bodies, Observer States, and international organizations, addressed the inaugural meeting on the occasion. The Ministers adopted the Sounion Statement of the BSEC Ministers for Culture which will guide the forthcoming activities of the respective Working Group.

The Meeting of the Ministers for Culture was preceded by the Meeting of the BSEC Working Group on Culture (Sounion, 2-3 July 2007). The focus of the activities will be based on promoting cultural cooperation among BSEC countries through cultural diversity, thus engaging on the wider scope of creating sustainable development in the Black Sea Region. In this respect, cultural itineraries (project ideas on the Routes of the Olive Tree, Vine Routes, Maritime, Lake and River Routes etc), intercultural dialogue (the core of any discussion on culture), joint cultural programs are set highly on the Agenda of BSEC future activities in the field of culture. In addition, the Working Group decided to include topics such as cultural tourism, cultural heritage, marketing of destinations, cultural corridors in the Southeast Europe, especially the Danube Cultural Corridor, in its Action Plan. The incoming Chairman-in-Office, Ukraine announced its decision to include a Ministerial Meeting and a Meeting of the Working Group on Culture in its Calendar of Events.

First Meeting of Ad Hoc Working Group on Cooperation among BSEC Member States in Exploration and Extraction of Hydrocarbon Resources in the Black Sea

Upon the respective Resolution of the BSEC Council on Ministers of Foreign Affairs (Belgrade, 19 April 2007) the first Meeting of the Ad-Hoc Working Group on Cooperation among BSEC Member States in Exploration and Extraction of Hydrocarbon Resources in the Black Sea was held in Istanbul on 7 September 2007. The establishment of the Ad Hoc Working Group was recommended by the BSEC Ministers on Energy in Sochi on 27 September 2006, based on a proposal by Turkey, with the view to stress the importance of deepening cooperation between Member States to effectively explore the hydrocarbon potential, efficiently develop resources and promote environmentally manageable exploration activities in the Black Sea.

BSEC Cooperation in the Field of Combating Trafficking in Human Beings

Trafficking in Human Beings is one of the priorities set up by the current Turkish Chairmanship-in-Office. The topic was recently addressed within the Meeting of the Working Group on Combating Crime (Istanbul, 17 September 2007).

On this occasion, the Joint BSEC - UNODC Project on Strengthening the Criminal Justice Response to Trafficking in Persons in the Black Sea Region was officially launched. Within the joint project, the BSEC Member States will design and adopt a Regional Action Plan to fight against trafficking in human beings in the Black Sea region, as well as formulate recommendations to the national authorities.

Experts from the BSEC Member States and guests from international organizations (IOM, ICMPD, UNDP) gathered in Istanbul, on 23 - 24 August 2007 in the Seminar on Trafficking in Human Beings. The participants exchanged information and best practices. These event will be followed by the Joint Budapest Process - BSEC Meeting " Trafficking in Human Beings in the Black Sea Region" to be held in cooperation with UNODC in Istanbul on 9 - 10 October 2007.

Draft Agreement on Simplification of VISA Procedures for Businessman Nationals of the BSEC Member States

A meeting of a group of experts from the BSEC Member States is scheduled to take place in Istanbul on 15 October 2007 to negotiate the Draft Agreement.

The Agreement will stipulate the simplified procedures for issuing one-year multiple visas for businessman from Albania, Armenia, Azerbaijan, Georgia, Moldova, the Russian Federation, Serbia, Turkey and Ukraine. At the same time the Agreement will not prejudice all applicable bilateral or multilateral agreements binding upon any BSEC Member State or national regulations and laws on issuance of entry visas.

A similar Agreement, on Simplification of Visa Procedures for the Professional Drivers Nationals of the BSEC Member States, has been considered and finalized by the national experts from nine BSEC countries at a meeting in Chisinau on 3 April 2007 and approved by the Council of Ministers of Foreign Affairs of the BSEC Member States at its Meeting in Belgrade on 19 April 2007.

Meeting of BSEC Ministers of Transport

Istanbul, 5 July 2007

The Meeting of the Ministers of Transport of the BSEC Member States was held in Istanbul, the Republic of Turkey, on 5 July 2007. It was preceded by the Meeting of the BSEC Working Group on Transport on 3-4 July 2007.

The Discussion of the Ministers was devoted to the prospects of transport cooperation in the Region. They adopted the Joint Declaration on Cooperation in the Sphere of Transport in the BSEC Region on the Occasion of the 15th Anniversary of BSEC.

First Meeting of the Steering Committee on the Development of the Black Sea Ring Highway (BSRH) (Istanbul, 2 July 2007).

The First Meeting of the Steering Committee on the Development of the Black Sea Ring Highway (BSRH) was held in Istanbul, at the BSEC Headquarters, on 2 July 2007. The participants of the Steering Committee considered the draft documents needed for its operation.

Scientific and Practical Seminar on Various Types of Rescue Activities and Rescuer's Training Programmes for the BSEC Member States (Krasnaya Polyana/Sochi, Russian Federation, 19-20 September 2007)

The Scientific and Practical Seminar on Various Types of Rescue Activities and Rescuer's Training Programmes for the BSEC Member States was held in Sochi, Krasnaya Polyana, Russian Federation, on 19-20 September 2007. The participants made presentations and exchanged views on various types of emergency situations, existing training centres and modern equipment used. The following training operations were demonstrated by The Rescuers' Training Center "Krasnaya Polyana": deployment of an airmobile hospital; rescuing people with participation of trained dogs dispatched by helicopters; rescuing people in road accident; rescuing and evacuation of people in mountains; evacuation of people using a raft boat.

The participants of the meeting shared the view that such seminars are important for exchanging experience on various types of emergency situations and they are a good basis for development of cooperation in this sphere. They agreed to exchange information about the activities of their national bodies on emergencies.

Environmental Protection for Economic Growth; Joint BSEC-USA Symposium

Istanbul, 12-13 September 2007

On 12-13 September 2007 BSEC and the United States government jointly held a symposium bringing together government officials as well as representatives from the private and non-governmental sectors of the twelve BSEC Member States. The symposium was designed to explore the nexus between environmental protection and economic growth and development in the greater Black Sea Region. U.S. officials from the Department of State and USAID as well as officials from UNDP, the European Commission and the Black Sea Commission also participated in the exchange of ideas and best practices.

At the opening session, U.S. Deputy Assistant Secretary of State for European Affairs, Mrs. Colleen GRAFFY explained that government has a role to play, but environmental protection is not just a government function, businesses and corporations share the responsibility. Environmental damage knows no borders. We have to find ways to bring together communities, regions and sectors of society to resolve environmental problems.

Participants agreed that environmental protection is an important topic for all BSEC Member States and Observers and is a key component for sustainable economic development. A holistic approach to environmental protection that includes renewable energy, sustainable tourism and rural development, particularly sustainable agricultural development is vital to gaining the broad societal and governmental support required for success.

Many BSEC Member States and Observers have extensive experience in both public and private sector environmental protection which they can share with each other. BSEC can play a role in bringing together experts from throughout the region to discuss best practices and examine successful models. In his closing remarks the Secretary-General of BSEC PERMIS, Amb. Leonidas Chrysanthopoulos, said "in order to complement the work of international, regional, national and local efforts, BSEC should hold symposia on environmental protection topics on a regular basis to facilitate regional cooperation and the sharing of ideas."

THE TWENTY-NINTH PLENARY SESSION OF THE GENERAL ASSEMBLY

Varna, 12-14 June 2007

The Parliamentary Assembly of the Organization of the Black Sea Economic Cooperation (PABSEC) held the Twenty-Ninth Plenary Session of its General Assembly on 12-14 June 2007 in Varna under the chairmanship of Mr. Georgi Pirinski, President of the National Assembly of Bulgaria.

The topic of the General Debate was "The Organization of the Black Sea Economic Cooperation and the European Union: New Euro-Black Sea partnership".

The speakers in the debate welcomed the concrete actions undertaken by the BSEC in the recent period with a view to strengthening relations with the EU, as well as the efforts of the PABSEC to continue the development of relations with the European Parliament. The visit of the PABSEC delegation to the European Parliament in

February 2007 represented an excellent opportunity to exchange views on issues of common interest for both the PABSEC and the EP. The need was emphasized for establishing a new partnership between the Black Sea region and the EU, due to the strategic importance of this region, especially as a transit route for energy resources. The participants stressed that the Black Sea region could bring a great contribution to ensuring the energy security for the European continent. It was also mentioned that although there is a huge potential for developing a closer relation with the EU, a grave obstacle in advancing on the path of collaboration is represented by the frozen conflicts, which are also a threat to the stability and security of the Black Sea region. The speakers greatly welcomed the Communication of the European

Commission on strengthening the European Neighborhood Policy, as well as the "Black Sea Synergy - a new Regional Cooperation Initiative". The participants emphasized that the Black Sea countries must continue to work together and give a new impetus to the cooperation for regional stability and prosperity, and that the closer interaction with the European structures will consolidate trust, partnership and understanding. The members of PABSEC agreed on the importance of being more involved in the development of relations of cooperation with the European Parliament.

The Assembly conducted debates on the Reports and Recommendations drafted by the PABSEC specialized Committees during their spring meetings - "State and prospects of fisheries in the BSEC member states", "Cooperation in the field of high technologies

among the BSEC member states", "Partnership and cooperation agreements with the BSEC member states in the context of the enlargement of the European Union" and "The Bologna Process and the reforms of higher educational systems in the BSEC countries". The Assembly adopted Recommendations on these subjects addressed to the Parliaments and Governments of the Member Countries and to the Organization of the BSEC.

According to the Rules of Procedure, starting with the end of the Twenty-Ninth Plenary Session in Varna, on 14 June 2007, Georgia assumed the PABSEC Presidency for a six-month term. It was decided to hold the 2007 Autumn Plenary Session of the General Assembly in Tbilisi on 19- 21 November 2007.

ACTIVITIES OF THE PABSEC COMMITTEES IN AUTUMN 2007

1. Economic, Commercial, Technological and Environmental Affairs Committee

The Twenty-Ninth Meeting of the Committee was held in Kyiv on 19-20 September 2007. The members discussed a Draft Report and Recommendation on "The Priorities of Cooperation between the BSEC Member States in the field of Energy: Oil and Gas spheres". Being the second-largest source of fossil energy reserves after the Persian Gulf, the Black Sea region has entered new millennium facing new rapid developments in energy field that requires unavoidable cooperative attitude with new approaches in this direction. Oil and gas projects, which have changed energy map of the region, encourage the member states to elaborate new mechanisms for establishing common energy strategy in the context of global energy security. Effective energy cooperation depends on complete integration of energy markets and establishment of stable price

policy and consistent realization of the current and future projects. In this regard legislation framework should be improved, where role of the PABSEC has a particular importance as the parliamentary dimension of the BSEC.

2. Legal and Political Affairs Committee

The Thirtieth Meeting of the Committee will be held in Belgrade on 17-18 October 2007. The main item on the agenda will be "Global Climate Change: consequences for the BSEC states".

3. Cultural, Educational and Social Affairs Committee

The Twenty-Ninth Committee Meeting will be held in Baky on 3-4 October 2007 to discuss the Draft Report and the Draft Recommendation on "Improvement of Quality of Life in the BSEC Member States".

BSEC Project Development Fund (PDF)

The importance of a project-oriented approach in the BSEC Organization was again emphasized by the Heads of State and Government of the BSEC Member States that convened a Summit in Istanbul on 25 June 2007 to commemorate the historic 15th BSEC Anniversary. Among other issues the Declaration states:

Our common objective should be to further promote BSEC as a project oriented organization which will best represent its Member States and peoples and encourage cooperation and joint development. Improved economic outlook will enable the BSEC to set more ambitious goals and to undertake and effectively implement major regional projects of strategic importance. Moreover, the PDF Steering Committee (Istanbul, 28 September 2007) approved another three Project Applications to be funded by PDF for 15,000 US Dollars each. The Applications were forwarded by the

BSEC Working Groups on Transport, on Environmental Protection and on Agriculture and Agro-industry. More projects that have been forwarded by the BSEC Working Groups and endorsed by the Committee of Senior Officials will be examined at the next Meeting of the Committee in the beginning of 2008. The total number of projects approved by the Committee and respectively funded by the BSEC PDF is now seventeen. In addition, the Committee of Senior Officials decided in February that a 3-year Review and Assessment Report should be drafted regarding the Project Development Fund and submitted to the BSEC Council with recommendations. For that reason, the Council of Ministers (Belgrade, 19 April 2007) invited the Member States and Related Bodies to contribute with their suggestions and proposals. In the current period, the BSEC organs are examining this issue in view of drafting a final report.

INTERNATIONAL CENTRE FOR BLACK SEA STUDIES (ICBSS) AUTUMN AGENDA

The ICBSS has returned after the summer break with renewed energy to embark on a very busy autumn agenda. Highlights of the season will be a cluster of high-profile events including the combined ICBSS Annual Conference and Annual Lecture to be held in Athens on 9 November 2007. Both events are free of charge and open to the general public, so mark the date in your diary! A general overview of our activities since July is included below and you can always find more information on www.icbss.org or by contacting us directly. We look forward to hearing from you.

Key ICBSS News:

ICBSS Internal

- The 27th ICBSS Board of Directors meeting will be held in Athens on 10 November 2007.

Policy Shaping

- The ICBSS, welcoming the fact that the European Commission is now an official observer of the BSEC, will continue to play an active role in enhanced BSEC-EU interaction by providing the BSEC with food-for-thought and strategy papers.

- In order to develop new integrated approaches for the development of the Black Sea region, the ICBSS invited selected analysts and independent experts to constitute a Task Force for a Joint Black Sea Strategy. A first meeting was held in Rhodes on 6-7 July and the Task Force will gather again in Athens on 26-27 October 2007.

Research

- The ICBSS' project proposal "S&T International Cooperation Network for Eastern European and Central Asian Countries" (IncoNet EECA), submitted for funding under the 7th Framework Programme of the European Community, was positively evaluated and has entered into the contract negotiation phase. Foreseeing the participation of 23 leading institutes from 21 countries of the wider Black Sea area and the European Union, the IncoNet EECA project is anticipated to start in January 2008.

Selected Activities

- The Second ICBSS Annual Conference will take place on Friday, 9 November 2007 in Athens. This year's event entitled "The

European Union and the Wider Black Sea Area" focuses on the ever more important relations between the two regions, their institutions and cooperation mechanisms. Bringing together experts from both geographic areas and beyond, the Conference is structured into three interlinked sessions and will include the Second ICBSS Annual Lecture, to be imparted by Dr. Zhelyu Zhelev, President of The Balkan Political Club and Former President of Bulgaria. Both events are open to the general public. For more information visit our website or contact Ms. Panagiota Paraskevopoulou at paraskevopoulou@icbss.org.

- A closed seminar focusing on "The Role of the Parliaments in Shaping a New Relation between the EU and the Black Sea Region", is being organised by the ICBSS with the support of the PABSEC, and will be held in Athens, on 8 November 2007.

- The ICBSS and the Council of Presidents of the National Academies of Sciences of the BSEC Member States (CoPNAS) co-organised a Meeting of CoPNAS in Ankara, on 5 October 2007.

- In the framework of its Outreach

Programme and in cooperation with the Hellenic Foundation for European and Foreign Policy (ELIAMEP), the ICBSS held a roundtable debate with Mr. Peter Semneby, EU Special Representative for the South Caucasus, General Secretariat, Council of the European Union on "Developments in the Caucasus" (Athens, 5 July 2007).

Selected Publications

- Xenophon Paper No. 2, "Unfolding the Black Sea Economic Cooperation: Views from the Region" by Panagiota Manoli (ed.), was published in July 2007. It includes articles by Nadia Alexandrova Arbatova, Mustafa Aydin, Joseph Chakhvashvili, Aleksandar Fatic, Omer Fazlioglu, Marin Lessenski, Panagiota Manoli, Nicolae Micu, Igor Munteanu, Elkan Nuriyev, Grigoriy Perepelytsia and Styopa Safaryan.
- A new issue of the Black Sea Monitor was published in July 2007 with another issue forthcoming in October.
- The ICBSS Policy Brief #4, focused on "Science and Technology in the BSEC region: Proposals for enhanced cooperation" by Dr. George Bonas and Mr. Dimitrios Filippidis (July 2007).