Parliamentary cooperation in the Black Sea area

REPORT

submitted on behalf of the Committee for Parliamentary and Public Relations
by Sir John Hunt, Rapporteur, with a contribution from Ms Aytaman, associate Rapporteur
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1. Adopted unanimously by the Committee.

2. Members of the Committee: Mr Masseret (Chairman); Sir Russell Johnston, Mr Eversdijk (Vice-Chairmen), Mr de Assis, Mrs Beer, MM Benvenuti, Birraux, Decagny, Dionisi, Sir Anthony Durant, Mr Erler, Mrs Err, Mrs Fernández de la Vega, Mr Ghesquière, Baroness Gould of Potternewton, Mrs Gurado, Mr Harmegnyes, Sir John Hunt, MM Korahais, Lunmer, Mattina, Micheloyannis, Mignon, Mrs van Nieuwenhoven, Mr Niza, Mrs Pulgar, Mr Selva, Mrs Terborg.

Associate members: Mr Tanik, Ms Aytaman.

N.B. The names of those taking part in the vote are printed in italics
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on parliamentary cooperation in the Black Sea area

The Assembly,

(i) Stressing the importance of regional cooperation initiatives in Europe as a factor contributing to the political stability of the continent;

(ii) Noting with satisfaction the development of economic cooperation in the Black Sea area;

(iii) Emphasising the important part interparliamentary regional cooperation, of which the Parliamentary Assembly of the Black Sea Economic Cooperation is the embodiment, plays in economic convergence and the development of political dialogue between the member countries involved therein;

(iv) Noting the progress achieved through regional cooperation and welcoming in particular the efforts being made to solve economic problems and improve environmental conditions in the Black Sea area;

(v) Pointing to the need to find lasting and equitable solutions to conflicts between some states in the region, while respecting their territorial integrity and sovereignty;

(vi) Noting, however, the inadequacy of regional cooperation on security matters, and the impact that possible NATO enlargement to include some coastal states will have on western Europe's future relations with the Russian Federation and Ukraine,

INSTRUCTS ITS PRESIDENTIAL COMMITTEE

1. To consider whether a greater degree of cooperation with the Parliamentary Assembly of the Black Sea Economic Cooperation would be appropriate on matters that fall within the latter's purview and have security implications, and examine the arrangements for such cooperation;

2. To include in the register of the Assembly a report on the impact of NATO and European Union enlargement on the Black Sea area, taking as its particular focus any implications this may have for the rules of navigation in the Black Sea Straits, as laid down in the 1936 Montreux Convention.
Explanatory Memorandum
(submitted by Sir John Hunt, Rapporteur,
with a contribution from Ms Aytaiman, associate Rapporteur)

I. Introduction

1. The Black Sea area appears to attract less interest from European organisations – whether from an economic, political or defence point of view – than does its larger Mediterranean counterpart and yet this geographic expanse, which includes and is bounded by Bulgaria, Georgia, Romania, the Russian Federation, Turkey and Ukraine, is one of major importance for the security of the continent of Europe. The development of the Black Sea coastal states, which are, for differing reasons, experiencing instability or periods of political or economic crisis, directly affects their relations with one another and with European organisations. Their varying interests, differing political assessments and diverse stages of development have not prevented them from seeking common solutions to their problems through dialogue and political and economic cooperation and attempting to create a climate favourable to regional stability, a necessary condition for their internal reforms to succeed and for harmonious relations between them and other groupings within Europe.

2. The Black Sea states have succeeded in drawing into the process neighbouring countries whose objective over time is to create an economic development area and contribute to strengthening regional political dialogue. Thus in 1992, the Black Sea Economic Cooperation grouping was founded in Istanbul, bringing together Albania, Armenia, Azerbaijan, Greece and Moldova as well as the Black Sea states proper. This initiative may seem a modest one, given the challenges all the countries involved have to face, nationally and in terms of their external relations, yet it represents a clear political act that shows the determination of the states concerned to surmount, through permanent contact at many levels, including private industry-level, the difficulties they are experiencing, internally and externally, in the political and economic spheres. Despite continuing major differences between some member states, such action contributes to promoting regional security and stability through political dialogue and shared economic development. Involving parliaments in the process therefore seemed to be a logical step.

3. Thus the Parliamentary Assembly of the Black Sea Economic Cooperation, composed of parliamentarians of the member states (excepting Bulgaria and Greece which have observer status) was established in 1993. This initiative is contributing to the emergence throughout the region of parliamentary diplomacy which, despite its limitations, has the advantage of promoting mutual awareness and understanding through dialogue and regular contact, and hence of allowing greater consideration to be given to the interests of each of the states participating in the process, thus ultimately enhancing security in the Black Sea area. This parliamentary approach, which the present Committee has already examined in relation to central Europe and the Mediterranean, forms part of a continent-wide trend leading first national parliaments, then European and transatlantic interparliamentary organisations to take an active and constructive position on developments in the political and economic situation and security and defence matters, in and outside Europe.

4. National and interparliamentary assemblies are facing major challenges on all fronts, and particularly in international relations. These they must resolve if they are to resist a drift towards technocracy that is tending to erode the legitimacy of their status as representatives of the peoples and nations of Europe. In this context, and within its own regional structures, the Parliamentary Assembly of the Black Sea Economic Cooperation plays a major role by helping to defuse situations of conflict and promoting the establishment of an economic area that will benefit its participants and help countries, not yet members of the European Union but which aspire to join, in ways that strengthen their hand in negotiations with that organisation. Security concerns enter into the process to an extent, although such issues are formally excluded from the remit of Black Sea Economic Cooperation and its Assembly. By forging links between parliamentarians and fostering dialogue and practical cooperation between governments, this regional initiative is gradually leading to the creation of the conditions that are necessary for establishing a climate of confidence favourable to negotiated settlement of differences and to economic and
political development in the Black Sea area, thereby strengthening security in Europe as a whole.

II. Issues in the Black Sea area

5 The ending of the cold war radically changed the region's political and economic situation. The area that was formerly the Soviet Union is now occupied by four new countries: Armenia, Georgia, the Russian Federation and Ukraine. Bulgaria and Romania have begun a complex process of economic and political reforms intended to lead in time to integration with European and transatlantic cooperation structures and Turkey, while continuing to draw closer to the European Union, has strengthened trade and diplomatic ties with the new states along the Black Sea coast as far as former central Soviet Asia. After a hesitant start and innumerable initiatives in every area of inter-state relations, not all of which have borne fruit, the regional situation has now stabilised and problems have been defined more clearly. This may assist their resolution over time, provided that the interests of those concerned are satisfactorily taken into account.

6. Hence the supreme challenge consists in the removal of barriers of all kinds – economic, political or historical – to regional cooperation. Their continued existence is the reason for proceeding step by step, a policy which culminated in the creation of Black Sea Economic Cooperation. Economic development and environmental protection in a region rich in natural resources are interests shared by the area's coastal and boundary states alike and it is therefore entirely to be expected that efforts should mainly have been channelled in this direction. This is, in short, the preliminary stage of a wider political dialogue, that will not be complete unless security and defence questions are addressed, given the major concentrations of all types, particularly naval, of military infrastructure still present around the Black Sea. For the possibility of internal or external political or armed conflict has not vanished entirely. notwithstanding the fact that tensions continue to ease, in much the same way as stability has returned to central Europe since the mid-1990s.

(a) Economic development and the environment

7 The hidden economic potential of the Black Sea area lies in its very substantial resources which are under-exploited even today. In some cases there is a wastage of natural resources with serious implications for the ecosystem. This is a major problem to which the coastal states are trying to find what must inevitably be a joint solution given that their interests coincide even though their approaches differ. A massive expansion in trade relations, allied with the concern to preserve and improve the environment, has to some extent provided a catalyst for regional cooperation, generating an awareness of the need for joint action in order ultimately to achieve a rational and, to a degree, integrated economic system. The success of this process is essential in promoting stability and security, of benefit to coastal and boundary states alike.

1. A diversified economic system

8 Broadly speaking, the countries in question can be divided, in terms of their resources, economy and relations with the European Union, into three categories:

- Bulgaria, Romania and Turkey are at different stages of development but have close ties with the Union, the first two through Europe Agreements and the last by way of the customs union. All three are applicants for membership which means that their economic policies are set for convergence with the criteria that currently apply to European Union member states, despite the difficulties the process involves, particularly in social terms;

- the Russian Federation and Ukraine are undergoing a period of major reform, with somewhat qualified success, but movement towards the development of a free market economy has been confirmed in principle and acknowledged as essential to the recovery of these two great countries and to their being fully integrated into European and world economic systems. Rich in natural resources, these two states offer considerable potential for development and have ties with the European Union through partnership agreements. Ukraine would appear to be a likely candidate for accession in the longer term – providing reforms succeed – but the Russian Federation, for geopolitical reasons, will no doubt remain a close partner of the Union in future.
Georgia, Armenia and Azerbaijan belong to a third category of states of as yet indeterminate economic direction, although they show signs of the will to reform. Political instability is holding back development and creating dependence on international aid. The European Union is providing advice and assistance through the TACIS programme but the situation is still sensitive. Their landlocked position, poor relations with some neighbouring states and minority unrest are hindering reform and making it difficult for them to move closer to the Union.

9. Within each of these groups, the coastal countries are pursuing what are in some cases divergent economic policies, with varying results

(i) Bulgaria

10. Economic reform in Bulgaria has to date produced conflicting results, especially in banking and finance. There has been a significant fall in the country's foreign currency reserves, which has led to difficulties. The 1996 budget review destabilised the national currency (the leva) causing private enterprise to opt for US dollar payments in preference. The banking system is in crisis, weighed down by an over-accumulation of irrecoverable debt which led to the closure of two major banks in March 1996 and triggered a minor political crisis. In agriculture, the illegal export of foodstuffs intended for domestic consumption has given rise to cereals and bread shortages. Last May, Bulgaria had no sooner concluded tough negotiations with the International Monetary Fund than it was struck by the full force of a new financial crisis, forcing the government to adopt emergency measures to stamp out inflation and impose a radical economic reform programme.

(ii) Georgia

11. The administrative and organisational disruption caused by the civil war that rent the country between 1992 and 1994 and the seizure of a part of the coastal area of the country by Abkhaz separatists, with the occupation of the port of Sukhumi, are continuing even today to have a detrimental effect on the progress of economic reform. If the pipeline bringing oil from the Caspian Sea to Europe, the construction and route of which are at present under discussion, passes through Georgia, it could give the country's economic development a major boost. Georgia, whose main trading partners are Russia and Turkey, has endeavoured to change its economic policy to promote economic activity at home and trade abroad. Georgia also receives aid under the European Union's TACIS programme.

(iii) Romania

12. After a difficult period both politically and economically speaking, Romania is trying to rebuild its economy through international market access and the free trade system. As a newcomer, it is highly sensitive to international market fluctuations and has had to take certain emergency measures both by way of adjustment and to halt the fall in the rate of its currency (the lei), which dropped by 10% in November 1995; it has also initiated a campaign to privatise state-owned industry on a huge scale. Its agricultural and mineral wealth are major assets for the successful modernisation of the economy. Implementation of the European Agreement between Romania and the European Union, and the prospect of NATO and EU accession in the longer term are incentives to the pursuit of economic reforms in spite of the difficulties, both political and social, these might entail.

(iv) Russian Federation

13. The Russian Federation is pursuing a programme of economic reforms with varying success, largely on account of structural difficulties. Such difficulties are obvious in certain key areas of the Russian economy, particularly the scientific and technological sectors, which are having difficulty in regaining their former ascendancy. However, Russia is a massive energy producer and supplier, a factor of enormous advantage to its economic development and structural modernisation. It also has huge oil and coal reserves and the world's largest gas deposits. Russia's oil fields stretch from Siberia to the Barents Sea and energy exports account for over 50% of its hard currency income. Moreover, it has committed itself to privatising a large number of state-owned firms, which has attracted foreign investors and injected new capital. IMF assistance has made a substantial contribution to stabilising the economy and this form of aid has been maintained despite criticism regarding the continued fighting in Chechnya and internal political
instability, all of which seems to justify the direction economic reform has taken.

(v) Turkey

14. Turkey, a NATO member state and an associate member of WEU, is one of the larger countries of the region, in terms of both surface area and population. Like Bulgaria and Romania, it enjoys special relations with the European Union, with which it has signed a customs agreement designed to promote economic development and political rapprochement with the Union. Turkey regards two large projects as of major importance: the construction of the Caucasus pipeline bringing oil from the Caspian Sea, the final route for which has yet to be decided, but which could bring the country many economic advantages, and the huge Ataturk dam. An improvement in economic relations with Iran and the prospect of the pipeline bringing Turkey oil from Iraq being opened could eventually bring the substantial economic benefit it needs for its plans to modernise the country and to align its economy with that of the European Union.

(vi) Ukraine

15. Ukraine, once regarded as the granary of the former Soviet Union, can draw on major economic assets. It has a huge potential in terms of mineral resources, coal and oil, and a large and well-developed heavy industry. However, these advantages did not prevent certain structural weaknesses from appearing when limited reforms to the economy were introduced. Between 1990 and 1993, GNP plummeted 43% and the monthly inflation rate rose to over 200% in 1993. It quickly became obvious that Ukraine was structurally weak: apart from its sizeable energy deficit, making Ukraine heavily dependent on Russia for its oil and gas, there were various inherent factors such as industrial decline, a transport crisis and currency upheaval. Reform made but slow headway in Ukraine but the situation now seems more stable and the economic indicators have improved somewhat, allowing a new currency, the hryvna, to be introduced, taking over from the vouchers that had replaced the rouble. Ukraine has signed partnership and cooperation agreements with the European Union and is endeavouring to improve relations with its Russian neighbour and creditor: nearly 50% of Ukraine's imports come from the Russian Federation and 35% of its exports go to that country, the result being an ongoing deficit in Ukraine's trade balance.

2. Major ecological problems

16. Pollution is a major problem in the Black Sea region, originating both within the coastal states and in other areas of Europe, whence it is borne by the rivers Danube and Dniepr. Industrialisation, urban sprawl and population growth, oil transport by sea, intensive fishing and its impact on marine biological systems all constitute major environmental hazards, the consequences of which will adversely affect the quality of life and economic development of all the states of the region. In order to cope with such issues, the Economic Cooperation is cooperating extensively with other institutions such as the Council of Europe, the European Union and the United Nations. On 10-12 July 1996, the first inter-parliamentary conference on environmental protection in the Black Sea area was organised in Istanbul by the Parliamentary Assembly of the Black Sea Economic Cooperation and the Parliamentary Assembly of the Council of Europe.

17. The conference considered four main topics:

- the present position as regards the environment;
- sources of pollution of the Black Sea, rivers, industrial and urban discharge, navigation and shipping disasters, air pollution;
- measures – technical, political, legal and financial – to be taken to deal with the situation;
- public awareness and participation.

The conference concluded with the adoption of a five-point declaration which set out various provisions of a practical nature addressed both to the Black Sea coastal states and to Mediterranean states and asking for 1998 to be declared a conservation year for Black Sea and Mediterranean ecosystems. The conclusions stress the importance of the effective implementation of the 1992 Bucharest Convention on protecting the Black Sea against pollution – which will imply adopting appropriate legislative measures.

1 First interparliamentary conference on environmental pollution in the Black Sea area, Istanbul, 10-12 July 1996; Final Declaration.
2. Idem, point 23.
18. On 16 September 1996, NATO also organised a seminar in Istanbul on computerised modelling of the Black Sea ecosystem, for management purposes and for studying wave movements along the Turkish coast. A database was presented at the meeting containing information about the Black Sea ecosystem cycle, collected by research institutes in each of the coastal countries. This initiative, undertaken within the framework of the Alliance's Science for Stability programme, also demonstrates the bearing environmental issues have on security, as a deterioration in people's living conditions and economic problems associated with pollution (breaking-down of the ecosystem and the effects on tourism, for example) can impact on internal political stability and give rise to disputes between states over shared fishing resources or the origins of various types of pollution. A ministerial conference bringing together the six coastal states was held in Istanbul on 30-31 October 1996 and adopted a strategic action plan for fighting pollution. Environment ministers also asked for 31 October to be designated "International Black Sea Day".

(b) Political stability and security

19. In spite of the apparent calm that seems to have settled over the region, the Black Sea area harbours a fair number of disputes that could lead to political or armed conflict. Internal instability in the new Soviet Union successor states, combined with the lack of a security plan, which might usefully have replaced the inveterate reciprocal monitoring that existed between NATO and the Warsaw Pact, makes political settlement of disputes between the coastal and boundary states difficult to achieve in the very near future. Economic issues, particularly those relating to transport of oil from the Caspian Sea, have a great deal to do with this, as there are major interests at stake, for states outside the region as well as within it. Such a situation, while it persists, acts as a brake on investment in the area and limits the scope of the aid programmes set up by the various European and world economic institutions, which are necessary for sustained regional development.

1. Situations of latent conflict

20. In the southern republics – the Caucasus, central Asia and Moldova – violence in varying degrees accompanied the emergence of the new Soviet Union successor states. In 1988, the dispute over the status of Nagorno-Karabakh escalated to armed conflict between Armenia and Azerbaijan (even before either became independent) with disastrous consequences for the two countries, which still have repercussions today, although the war ended in 1994. Georgia has had to deal with problems with its ethnic minorities (Ossets and Abkhaz) which rapidly degenerated into an inter-ethnic, then a civil war between Georgian factions following a weakening of the central government. Mr Shevardnadze's rise to power in 1994 led to greater calm all round but no conclusive settlement was reached with the minorities. Moldova almost lost part of its territory following the conflict between the ethnic Russian population and the Moldovan population of Transdniester. Once the situation had stabilised around a somewhat precarious status quo, territorial integrity was maintained in return for a degree of autonomy for the region. It was at this juncture that General Lebed began building his political and military career.

21. Although a state of relative peace now holds sway, the causes of the conflict are still present and no agreement has emerged that is entirely satisfactory to the parties concerned. The war has led to disruption and internal instability and has exposed all the countries involved to external pressures, at times entailing some loss in their ability to assert themselves independently in relation to certain powerful neighbours. The economic and humanitarian difficulties thus created have reached worrying proportions, with governments having insufficient resources to cope. Forced population movements and the exactions of war have left their mark and their consequences will continue to be felt for some years hence. OSCE intervention has helped appease some of these conflicts and the European Union has provided economic aid but only a global settlement of internal and external problems can bring lasting peace to the region. For this peace to be real would require guarantees from the larger Black Sea countries since the impact of some of the conflicts referred to has extended beyond national boundaries and has at times been used as a means of applying pressure on governments.

22. In spite of these difficulties, a degree of cooperation has been established at regional level that may encourage the search for negotiated solutions. However, for it to be successful, the three largest countries of the Black Sea area, the Russian
Federation, Turkey and Ukraine, must see their way
to overcoming the obstacles, internal and external,
that are preventing real economic and political
cooperation being established. Russian-Ukrainian
relations are especially important here. For the time
being, they are still marked by distrust and the areas
of difference are many, ranging from division of the
Black Sea fleet or the status of the Crimea to the
direction of Ukraine's foreign policy. Ukraine is in
fact in a precarious state of equilibrium between the
Russian Federation and its central European
neighbours, some of which are avowed candidates
for accession to NATO. The uncertain economic
outlook and long-standing unresolved disputes with
the Russian Federation limit the scope for
investment from abroad and economic aid from
international financial institutions, and this has in
turn inevitably slowed down the reforms that are
under way. Ukraine is going through a sensitive
phase in the process of achieving stability. Its
outcome also depends on external factors such as
political and economic developments in the Russian
Federation and central European countries.
Nevertheless, the country has the human and
material resources necessary to overcome these
difficulties provided its neighbours, for their part,
refrain from exerting pressure and the institutions
for economic and political cooperation, both
European and transatlantic, provide it with the
support it needs.

23. Turkey, the other major regional power,
today stands at a crucial crossroads in relation to its
own future and that of the Black Sea area as a
whole. The end of the cold war has changed the
geostrategic framework in which the country
operates and this has in part contributed to its
mounting political ascendency in the wider region, if
this is defined as including former Soviet Central
Asia. At the same time, the Gulf crisis and the war
in the Gulf allowed Turkey to reaffirm its role as a
Middle Eastern power, a role which the present
colation government seems to be taking very
seriously. For Turkey is aware of the unstable
nature of its immediate environment, surrounded as
it is by countries in varying states of political and
economic upheaval, with which it finds itself in
disagreement. Although to the north, conflict in the
Caucasus has to some extent abated, there are
uncertainties to the south connected with PKK
terrorism, the situation in Iraqi Kurdistan and
relations with Syria, Iraq and Iran. This gives rise
to difficulties when it comes to carrying out the
economic reforms that will allow Turkey to benefit
fully from the agreement with the European Union
on a customs union and to prepare for possible
accession at a future date. In order to meet this
challenge successfully, Turkey has committed itself
actively, through dialogue and political and
economic cooperation, to defusing the crisis
situations on its borders, despite continuing distrust
on the part of certain states within the region and
beyond. This is the mark of a politically responsible
attitude that European institutions should support
and encourage, with a view to enhancing stability
and security in the Black Sea area and throughout
the continent.

2. Absence of a regional security system

24. Economic development and environmental
protection are today the main objectives of the
coopertion established between the Black Sea
coastal and boundary states but, in the longer term,
structures for a political and security dialogue will
need to be set up so as to ensure regular headway is
made and to provide the stability that is essential for
consolidating economic progress. This is a delicate
matter, given that the positions underlying declar-
ations of principle differ widely in practice. No
satisfactory solutions have yet been found that are
likely to lead to the lasting settlement of disputes
referred to earlier. The situation is a dangerous one,
for the instability it engenders in both political and
economic terms is weakening some governments,
leaving them vulnerable to internal or external
pressure, and could again lead to armed conflict.
The lack of a viable security arrangement to replace
the spurious set piece balance of the cold war is a
handicap that still has to be overcome if the
economic potential of the region is to be developed
fully for the benefit of all concerned. This is first
and foremost the task of the coastal states but
European and transatlantic organisations also have
a part to play in the process.

25. The newly-independent states of the former
Soviet Union have a somewhat loosely-defined
mechanism for cooperation, known as the
Commonwealth of Independent States (CIS). This
institution is empowered to deal with security
matters under the Treaty of Tashkent but has made
very little impact on the real difficulties. The
Caucasus states are likely to suffer from political
instability, the Russian Federation and Ukraine have
still not resolved their differences in a manner
satisfactory to both, relations between Azerbaijan
and the Russian Federation are complicated, in
particular by the question of how oil is to be
brought from the Caspian Sea and there is no sign
as yet of a definitive solution to the Chechen crisis despite progress made when General Lebed had responsibility for the matter. Such problems contribute to a persistent climate of insecurity which affects the regional policies pursued by each country. Because they act randomly, it becomes difficult for them to envisage security in global terms and take account of the interests of the parties involved: thus they all suspect their neighbours of having hidden agendas and each fears the loss of its independence vis-à-vis the more powerful states.

26. The situation that obtains in Bulgaria and Romania is different, as these two countries have established fairly close ties with the European Union, WEU and NATO. They thus bring a further element of security to the Black Sea area, although only within the limits of their own territory. Both are potential applicants to join NATO despite uncertainties about how their applications will proceed. Nevertheless, the possibility of reaction from the Russian Federation, which remains opposed to enlargement, has to be considered in this connection, as do the consequences for Ukraine of this complicated geostrategic game. It is therefore most important, in terms of regional security, for the coastal states to establish mechanisms for dialogue on these issues without delay. This is an area in which Turkey, as a full member of the Alliance, could play a crucial role in assuaging the fears the Russian Federation is expressing over NATO expansion into this part of Europe.

27. WEU has been somewhat reticent about the Black Sea area. It does, however, have some sort of representation there through Greece (a member of the Black Sea Economic Cooperation) and Turkey, Bulgaria and Romania as either associate members or associate partners of the Organisation. It also maintains a political dialogue with the Russian Federation and with Ukraine, enabling it to be kept informed of the region's security problems. However, to date, it has not contributed to the debate in any way, despite the fact that the modified Brussels Treaty imposes no geographic limits. Moreover, through its ties with NATO and the European Union, WEU is in a strong position to assist in the development of a security system bringing together the countries of the region that are members of the Alliance or the Union and those that are not members but intend to join in the near or more distant future. The focus of interest on the Mediterranean should not be to the exclusion of other regions where crises and conflicts may arise, unless it is accepted, even before any decisions have been taken on NATO and European Union enlargement, that there is a dividing line between spheres of influence. Closer cooperation between WEU and Turkey on regional problems would be beneficial in terms of overall security and is an approach that should be encouraged both by governments that regard themselves as concerned and by the WEU Assembly.

III. Regional parliamentary and economic cooperation

28. Originally a framework for discussion of common problems among the coastal states, the Cooperation has become an important regional organisation, in terms both of its aims and its practical achievements in economic and cultural matters and environmental protection. Its purpose is not to concern itself directly with political and security matters, but even here it makes a not inconsiderable contribution to ensuring the continuity in the dialogue between the coastal and boundary states on such issues, for, although the economy continues to be the focus of its activities, progress in that area is possible only if the region enjoys wide political stability. As other European and transatlantic organisations had no direct presence in the area, it is obvious that, once the barriers erected during the cold war had been dismantled, it was first and foremost up to the coastal states to take the initiative in establishing this type of cooperation system. Indeed it was the awareness of a community of interests centred on economic development and the need for environmental conservation that was the deciding factor in the establishment and subsequent development of the Cooperation.

29. Involving private industry, local authorities and national parliaments in its activities seemed a logical step towards making it a more effective and relevant structure and this profusion of contacts at all levels is one of its characteristic features. It allows the Black Sea countries to move closer to their immediate neighbours at various intermediary levels within civil society. At the same time, the Cooperation wishes to remain open to other countries and to closer contact with other European regional organisations in western, central and northern Europe. It thus participates in a European institutional process which, in spite of the large number of players involved and its apparent complexity to outside observers, is contributing to the stability of the continent through the existence of all kinds of contacts and networks, bringing peoples
closely together and promoting intergovernmental and interparliamentary dialogue. The example of the European Union, coupled with the prospect of membership in the longer term, is another factor motivating Cooperation member states to achieve the aims they have set themselves in a multilateral framework and within their own borders.

(a) The Black Sea Economic Cooperation (BSEC)

30. The Black Sea Economic Cooperation process began in 1990 with four coastal states, Bulgaria, Romania, the Russian Federation and Turkey. The emergence of new states following the break-up of the former Soviet Union affected the range of such cooperation, paving the way for the entry of new members from the Balkans and the Caucasus. Eleven countries elected to work towards the same goal of promoting peace and prosperity – from within political systems based on pluralist democracy, respect for human rights and a free market economy – by strengthening economic cooperation. The aim was not to create an economic common market from the outset but to lay the foundations for multilateral economic cooperation based on free market principles. On 25 June 1992, the member countries of the Black Sea Economic Cooperation, meeting in Istanbul, adopted the Declaration on Black Sea Economic Cooperation. Following the initiative of the Speakers of the Turkish and Russian Parliaments at a meeting in Moscow on 17-20 August 1992, participants agreed on the need to establish a Parliamentary Assembly whose role would complement that of the Black Sea Economic Cooperation framework. The Assembly was constituted on 26 February 1993.

1 Aims and achievements

31. The aims of the Cooperation are as follows

- on the political front, member states intend to harmonise their legislation and strengthen democratic and parliamentary systems through the establishment of a political infrastructure of unspecified nature, in order to reinforce regional stability and the region's democratic base.

- they also aim to develop cooperation at the level of government and of the private individual, and to encourage active participation from private industry and the development of ties between towns and regions. In this context, the mayors and governors of the capital cities of the BSEC member states met in Istanbul on 6-8 September 1994 for discussions, and to coordinate social and urban policies.

In June 1994, the then President of Ukraine, Leonid Kravchuk, proposed including the following security remit.

(i) reaching agreements among Black Sea Basin countries on limiting large-scale naval exercises in the Black Sea, specifically to not more than twice a year, with observers from these countries invited to attend;

(ii) signing an agreement among the Black Sea countries on banning any manoeuvres or exercises in the Straits zones and adjacent areas of the Black Sea;

(iii) reaching an agreement on advance notifications about the purpose of movement and routes of any formations of assault craft, missile ships and gunboats consisting of more than three craft;

(iv) signing a memorandum stating that the participating states of the Black Sea Economic Cooperation would refrain from joint military exercises and manoeuvres in the Black Sea with those states who were not party to the Black Sea Economic Cooperation;

(v) informing other Black Sea Basin countries about the entry of foreign naval ships into territorial waters;

(vi) adopting a declaration on the inviolability and intangibility of the sea frontiers of the coastal countries and on relationships among their naval forces and border-guard naval detachments;

(vii) signature of a memorandum by the Black Sea countries on the inadmissibility of the use of naval forces, in a direct or other form, against each other;

(viii) adoption by the Black Sea Basin countries of a Declaration on the refusal
to provide their territories for any aggressive or subversive acts carried out against other Black Sea countries.

Nevertheless, despite the interest these proposals offer in terms of finding solutions to the region's security problems, they have led neither to discussions commensurate with the issues they raise nor to any practical outcome.

32. At the meeting of heads of state and of government in Moscow, on 25 October 1996, those attending expressed the view that economic cooperation and partnership were factors essential to regional stability and also a practical means of reducing political tensions and averting instability. They affirmed their readiness to cooperate so as to maintain stability and deal with the challenges facing them in the form of organised crime, violence, terrorism, trafficking in drugs, arms and radioactive substances and illegal immigration. Participants also affirmed their intention to develop cooperation with other international institutions such as the European Union, the OSCE, the United Nations Economic Commission for Europe, the Council of Europe, the Arab League, the Economic Cooperation Organisation, the Council of the Baltic Sea States, the Central European Initiative and the Euro-Mediterranean Initiative.

33. On the economic front, BSEC members have a number of aims, and problems endemic in the Black Sea region as a whole and in each separate state have led to the development and implementation of a mechanism for close cooperation on the western European model, aiming to promote free movement of persons, capital, goods and services between the various member states, to simplify customs formalities with a view ultimately to achieving a customs union and creating a free-trade area. To this end, BSEC proposes to promote a legislation review, involving dialogue between national parliaments and the organisation's Parliamentary Assembly. A Black Sea Trade and Development Bank has been founded to finance regional development projects. The bank has its headquarters in Thessaloniki, Greece, and is due to start work in 1997. Development of transport and communications networks, an area crucial to the expansion of trade within the region, is among the Cooperation's chief priorities.

34. On the cultural front, measures to strengthen ties between member states are actively encouraged and supported. BSEC members are cooperating to improve levels of education as the key to wealth-creation and prosperity in the region. Furthermore, at the Cooperation's first meeting in Istanbul in 1992, the President of Romania, Mr Iliescu, announced the formation of a group for the foundation of a university dedicated to the goals of the BSEC. The university, which is located in Romania, was opened in 1993. A number of agreements on cultural and educational matters have been ratified to promote joint scientific research programmes. At the meeting of the Cooperation's foreign affairs ministers on 25 October 1996, it was decided to establish an International Centre for Black Sea Studies based in Athens, Greece, due to open in 1997.

2. The Parliamentary Assembly of the Black Sea Economic Cooperation

35. The PABSEC (Parliamentary Assembly of the Black Sea Economic Cooperation) was created as follows: it was established on 26 February 1993 by a joint declaration of the Speakers of the Parliaments of Albania, Armenia, Azerbaijan, Georgia, Moldova, Romania, the Russian Federation, Turkey and Ukraine, meeting in Istanbul. At the inaugural session, Bulgaria and Greece decided to participate in PABSEC's work as observers.

36. The basic functions and objectives of PABSEC within the process of Black Sea Economic Cooperation are as follows:

- to lay down the legal foundations of the Black Sea Economic Cooperation;
- to provide political support to the process through the parliaments;
- to ensure the acceptance and assimilation of the ideals of the Black Sea Economic Cooperation by the peoples of the region through the parliaments, as representing the people;
- to create an inter-parliamentary environment of cooperation, solidarity and dialogue on political, economic, commercial, social and cultural matters, to make important contributions to fostering trust and good-neighbourly relations among the nations of the region and thus establish regional peace and stability.
37. The administrative organisation and bodies of the Parliamentary Assembly of the Black Sea Economic Cooperation are:

- the President of the Assembly, appointed from among the Speakers of the parliaments of member countries in alphabetic rotation, for a six-month term.

- four Vice-Presidents and the Treasurer of the Assembly elected by the General Assembly.

- the three committees of the Assembly: (i) the Economic, Commercial, Technological and Environmental Affairs Committee, (ii) the Legal and Political Affairs Committee, (iii) the Cultural, Educational and Social Affairs Committee

38. From its inception, the Assembly set a firm policy course of active participation in developing regional economic and political cooperation:

- aware of the tensions created by conflict and economic reforms, members proposed taking social measures to resolve the issues and problems these raised, taking as their basis the rules laid down in the United Nations Charter and the European Social Charter. The Assembly thus recommended parliaments and governments of the member states to ensure that economic reforms and privatisation were accompanied by appropriate social measures, taking financial realities and constraints into account,

- environmental protection is one area to which the Assembly pays particular attention, the first interparliamentary session on environmental protection in the Black Sea area was held on 10-12 July 1996,

- the Assembly has, on a number of occasions, also adopted resolutions for submission to the Council of Black Sea Cooperation, on preventing and fighting organised crime both by reforms to national legislation and establishing a communications network and a parliamentary structure equipped to deal with such problems;

- the Assembly has also expressed a wish to cooperate with other international and interparliamentary organisations and a summit meeting was organised with the parliaments of the CIS member states in 1995 to discuss problems relating to security and stability in the Black Sea region

(b) The role of the European organisation

39. The economic cooperation and political dialogue which have developed in the Black Sea region represent a major step forward given the diversity of interests present and the wide variations in the types of economy in the BSEC member countries. In practice, the Cooperation programme acts as a catalyst to regional development, the ultimate objective being integration of those countries in European economic structures as represented by the European Union. For certain Cooperation states, this constitutes the major challenge, which could run counter to the stated wish to achieve regional economic integration unless their accession to the Union as a group, at some unspecified future time, is countenanced as a possibility. Membership of European economic cooperation structures involves obligations with implications for the economic relations a member country maintains with its non-member neighbours EFTA, for example, has become marginalised as a result of accession by three of its members to the European Union (had Norway acceded, EFTA would probably not have survived).

1. The European Union

40. The future of the Economic Cooperation depends on the state of relations between certain of its members and the European Union. Bulgaria, Romania and Turkey are applicants for accession, Greece is already a member, accession by Albania, the Former Yugoslav Republic of Macedonia, Ukraine and the Caucasus states can be envisaged only in the long term and Russia will probably acquire some form of preferential status in the

5. Recommendation 14/1996 on social guarantees during the transition period in the PABSEC member countries, seventh plenary session. Adopted by the Assembly on 13 June 1996 in Baku.

future, in line with the EU's principle of establishing customs unions, but has no prospect of accession. This being the case, regional cooperation is promoting overall development by encouraging closer economic ties and greater interdependence and is making for more political stability in the region. This in turn boosts investment and enhances the prospects of obtaining aid from European and international financial organisations. The European Union has a dominant role here on account of its direct links with all the countries of the region and the attraction it holds for many of them. Such economic diplomacy is making an effective contribution to regional stability, although it lacks the political backing the CFSP is supposed to provide.

41. Bulgaria and Romania have ties with the European Union through Europe Agreements that can be regarded as a first step towards ultimate accession. Such agreements, which include detailed economic provisions, as well as measures to encourage political dialogue, are not in themselves a guarantee of future integration but are an incentive to economic reform and thus represent a major political lever. Despite the fact neither of the two countries in question is regarded as a model of perfection where reform is concerned, and although the economic development of both is erratic, implementation of a Europe Agreement means there will almost certainly be no turning back despite any political and economic uncertainties its effects may engender. Thus the process of putting national economies on a sound footing is strengthened and this ultimately benefits neighbouring states that do not have the same relations with the Union. Greece, a European Union member country, also contributes indirectly to ensuring a European Union presence within the Cooperation; similarly, the special relationship between the Union and Turkey has beneficial effects in the region.

42. The customs union with Turkey is the outcome of a lengthy negotiating process, strewn with obstacles that are essentially political. As far as Turkey is concerned, customs union is merely a stage towards accession and not an end in itself. The entry into force of the agreement is strengthening the country’s position within the Economic Cooperation and could turn it into a magnet, particularly for the smaller states. Conversely, the customs union involves major obligations in the economic sphere and a channelling of resources towards the ultimate goal of accession to the Union — which could lead to fewer resources being allocated to the BSEC. But for the time being, Turkish diplomacy is characterised by a deepening of relations at regional level, the Black Sea area included, alongside implementation of the customs union. This is proof of Turkey's unswerving commitment towards its partners and of its maturity and responsibility in the conduct of its foreign policy, as the political authorities are aware that any instability on Turkey's borders would have a detrimental effect on its efforts in terms of its economy and on convergence with the European Union.

43. The Russian Federation, Ukraine and the Caucasus states on the Black Sea coast have entered into partnership and cooperation agreements and parallel interim agreements, owing to the cumbersome nature of the implementation procedure for the former which involves ratification by the parliaments of all the European Union member countries. Like Europe Agreements, partnership and cooperation, and interim agreements also include provisions of a political nature intended to encourage dialogue and cooperation above and beyond purely economic interests. These agreements were drawn up in the wake of the TACIS programme, launched by the Union in December 1990 to support economic reform and recovery and strengthen democracy in the countries of the former Soviet Union by means of non-repayable aid. The programme provides technical assistance in targeted areas, such as, for example, transport and communications infrastructure, energy and nuclear safety and business restructuring and development. TACIS initially encountered a number of difficulties, which were rectified in a regulation adopted on 25 June 1996 by the Union Council. The new regulation carries a budget of 2.7 billion ecu for 1995-99. The Union thus has at its disposal an instrument for economic and political intervention which, although limited in its effect, makes a practical contribution to regional development and stability, thus strengthening security in the part of Europe to which it applies.

2. Prospects for regional economic integration

44. Economic cooperation is bringing the countries of the region closer together by extending trade, developing transport and communications networks and as a result of a

common awareness of the need to protect the environment. However, the obstacles to the creation of a more or less integrated economic area, not to mention cooperation in political or security matters, are legion and the future of such an enterprise depends too heavily on members' own national considerations for there to be any objective assessment of its viability. Member states still need to feel convinced they have a future in common, which is far from being the case. Moreover, the recent and past history of the region has left lasting traces on nations' memories that survive into the present and make it difficult for them to draw closer together. Differences in political orientation, in status within the European and transatlantic organisations, in culture and in geostrategic position are all obstacles to establishing proper political cooperation that could help strengthen the common economic endeavour. In this last area, disparities in levels of development and resources, both natural and human, give rise to persistent doubts as to whether the Cooperation's aims can succeed.

45 Relations between some member countries continue to be marked by mistrust, rivalry even, such as, for instance, those between Azerbaijan, the Russian Federation and Turkey with regard to the route of the pipeline that is to bring oil (extracted by a consortium that includes American, Turkish, Russian and Azerbaijani interests) from the Caspian Sea to Europe. Differences between Ukraine and the Russian Federation over the status of the Crimea and the Black Sea fleet are but a pale reflection of a far more complicated strategic struggle, with Ukraine doing what it can to retain its political independence in the face of a Federation determined to prevent the country forming too close a tie with European and transatlantic economic and defence institutions. The Georgian central government is having difficulty reestablishing its authority over its Black Sea coastline, partially controlled by Abkhaz separatists, and Armenia and Azerbaijan have still not settled their dispute over Nagorno-Karabakh. Despite the existence of the CIS, OSCE intervention and a European Union presence through the economic aid it provides, little real progress has been achieved in resolving these questions, despite the prevailing relative calm and the fact that any resort to force appears to have been ruled out for the present.

46. Further west, uncertainty prevails. Greece, Albania, the former Yugoslav Republic of Macedonia and Turkey have not yet been able to find common ground for an overall settlement of regional differences but discussions are currently continuing. Romania and Bulgaria are concerned at the prospect of their accession to NATO and the European Union being delayed while some central European countries have been identified as likely to become members in the near future. As for Turkey, it is suffering the effects on its southern border of the irrational policies being pursued in the Middle East by other regional or external powers, culminating in a situation of insecurity marked by acts of terrorism, which is hindering lasting and sustained development of the Turkish economy in that part of the country and giving rise to misunderstandings with certain European Union member states and institutions that have resulted in delay in fully implementing the customs union agreement, which would lead to full membership of the European Union.

47. Notwithstanding the above, the situations described are liable to change and governments have, to date, demonstrated a degree, albeit modest, of political will in laying the foundations for an economic, social and cultural area around the Black Sea. The results may seem slight in the face of the challenges besetting the region, but they are there and daily, by degrees, are bringing growing stability to a region torn by conflict in all its forms, where the heaviest burden inevitably falls on the civilian population. The process should receive outright support, without hidden agendas, first and foremost from the larger countries – the Russian Federation, Turkey and Ukraine – and from the European and international economic and political institutions that can provide aid and advice. The future of the Black Sea area is primarily in the hands of the coastal states and it is they that have the task of transforming the region into a developed and secure economic area – a long-term project it is true, but one that has to succeed if a return to political and armed conflict, from which no-one would gain, is to be avoided. For their part, European institutions can and must commit themselves to providing assistance and pursuing dialogue with the Cooperation and the individual countries of the region, thus contributing further to a progressive rapprochement of all European state entities and peoples within an area built upon economic development, security and stability for all its inhabitants.
IV. Turkey's Black Sea policy: structures and means
(contribution from Ms Aytaman, associate Rapporteur)

48. As the Black Sea is an inland sea from which the only access to the Mediterranean is through the Turkish Straits, it has special importance for Turkey's foreign policy objectives and means.

49. Access to and exit from the Black Sea were already regulated by the Montreux Agreement of 1936, but after the collapse of the Soviet Union, the need arose to establish a new balance between the old and new states along the shores of the Black Sea.

50. On Turkey's initiative, the Declaration on Black Sea Economic Cooperation was signed at a summit meeting held in Istanbul on 25 June 1992 in which heads of state and of government from Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey and Ukraine participated.

51. BSEC grew out of the idea that the Black Sea should become a sea of peace, stability and prosperity based on pluralist democracy, the supremacy of human rights, the rule of law, and a market economy. Turkey's intention, when it took the initiative on realisation of this cooperation, was to achieve that objective through further development and diversification of regional economic relations in a multilateral context.

52. The BSEC, not being perceived as a common market, is established as a multilateral economic cooperation scheme based on the principles of market economy. The BSEC is expected to generate new dynamism in the field of economic cooperation by extending existing bilateral relations - as well as multilateral relations - among the participating states. The BSEC covers various fields ranging from the exchange of statistical data and economic information to agriculture and the agro-industry, transport and communications to tourism, and banking and finance to the environment.

53. It is important to note that the intention is for BSEC to be developed in line with the existing commitments of the participating states and it should not prevent the development of their relations with third countries or international organizations. The BSEC is not being developed as an alternative to the EU or other regional groupings. On the contrary, the BSEC is regarded as a complementary element of the European integration process.

54. The key element in the BSEC process is the private sector. In the BSEC model, the private sector, as the driving force, can create the dynamism necessary for improvement of the infrastructure of the region and initiation of projects that will contribute to economic growth and development. In order to perform this function well, the business communities of the BSEC participating states established their own mechanism. The BSEC Council, which was established in December 1992, is in the process of developing proposals, programmes and projects in a variety of fields of cooperation.

55. It is important to point out that the nature of the cooperation is basically economic rather than political. In line with this feature of the BSEC, no peacemaking mechanisms were envisaged. Enhanced economic cooperation among the participating states is expected to contribute to the resolution of political conflicts in the region. One of the best confidence-building measures is, after all, economic cooperation.

56. Established at a time when the Balkans and the Caucasus were experiencing great unrest and difficulties originating from political and economic transformation, aggravated by ethnic conflicts, the BSEC now constitutes a forum in which the participating states can put aside their differences, communicate with one another and undertake joint economic projects for their mutual benefit. In fact, the BSEC has proved to be a regional arrangement where economic motives transcend political concerns.

57. The BSEC has concluded its initial phase during which the basis for the organisation and structuring of Black Sea economic cooperation has been laid. The second summit meeting of the heads of state and of government, which was held in Bucharest on 30 June 1995, paved the way for the next phase, which is to be the identification and implementation of concrete projects, the evaluation and expansion of industry and trade opportunities and the improvement of people's economic well-being.

58. The BSEC is open to all states, including non-coastal EU member states that commit themselves to observance of the provisions of the summit.
declaration, with the approval of the participating states. It is perhaps worth noting that Austria, Egypt, Israel, Italy, Poland, the Slovak Republic and Tunisia have asked for and have been granted observer status in the BSEC.

59. During the seventh meeting of the Ministers of Foreign Affairs of the BSEC in Bucharest on 27 April 1996, Turkey supported the membership applications of the Federal Republic of Yugoslavia and the Former Yugoslav Republic of Macedonia, together with applications for observer status from Bosnia and Herzegovina, Croatia, Jordan and Slovenia. Unfortunately these applications were blocked. Turkey's support for membership and observer status for the abovementioned countries will continue in the stages to follow.

60. Parliamentary cooperation is another aspect of the BSEC which merits special emphasis.

61. The foundation of the Parliamentary Assembly of the BSEC (PABSEC) in February 1993 added another dimension to the sphere of cooperation of the BSEC, which now enables the national parliaments of the participating states to pass legislation needed for the implementation of decisions within the framework of the BSEC.

62. The fundamental functions and goals of the PABSEC are to provide political support to the BSEC and to secure the consent of the people of the region to the ideals of the BSEC process through their national parliaments and parliamentarians, and also to establish peace and stability in the region through political, economic, commercial, social and cultural cooperation between the parliaments.

63. PABSEC has the following three committees: the Economic, Commercial, Technological and Environmental Affairs Committee; the Legal and Political Affairs Committee and the Cultural, Educational and Social Affairs Committee.

64. The cultural and scientific dimension was introduced through the signing of the Convention on cultural, scientific and information cooperation between the Black Sea region countries.

65. The BSEC cooperation scheme, which will function on a project basis, will certainly require financing and foreign investments. The Black Sea trade and development bank is expected to meet the minimum financial needs. However, the BSEC welcomes contributions for investments and export credits. One of the objectives of the BSEC in financing projects is to persuade the international business community to undertake investments in the region. As an example of successful ongoing BSEC projects, Turkey appreciates the participation of Albania, Bulgaria and the Former Yugoslav Republic of Macedonia in the trans-Balkan link project that will enable the establishment of more efficient and speedy communications through a fibre optic system. This project, when completed, will constitute a sample case of a tangible product of the BSEC.

66. The Turkish Government attributes great importance to Black Sea economic cooperation and the success of the BSEC is a major priority objective. Turkey will make every effort to promote cooperation among the BSEC participating states. Turkey's role in the realisation of the BSEC can best be explained by the need to improve its own ties with the countries in the region, which stem from a common history and culture as well as from geographic proximity. Turkey will continue to play a central role in the process of the development of the BSEC.

67. Another aspect of the Black Sea is that it is being polluted by the central European countries, which discharge industrial waste into the Danube, and by the six coastal states. The rivers of ten riparian countries are also polluted. This area provides shelter for 160 million people and covers nearly half of continental Europe. By the time the Danube reaches the Black Sea via the Romanian coast, that great river alone discharges approximately 60 tonnes of mercury, 1000 tonnes of chromium, 4500 tonnes of lead and 50,000 tonnes of oil every year. Peculiar geography has always made the Black Sea's deep waters the largest toxic body of water on the planet. River flow and plentiful rain have only one exit - the Bosporus Strait.

68. Because of the cross-boundary nature of these enormous environmental problems, Black Sea international cooperation on this matter has become an urgent priority.

69. In this regard, the countries that share the Black Sea coast (Bulgaria, Georgia, Romania, the Russian Federation, Turkey and Ukraine) signed the Convention on the Black Sea Against Pollution and its related protocols. A diplomatic conference responsible for implementing the Convention, which
came into force on 15 January 1994, will establish its Headquarters in Istanbul. Furthermore, the Global Environment Facility (GEF) programme for the environmental management and the protection of the Black Sea, which is a regional international project that will allow the implementation of the Convention, started in February 1994. The coordination unit of this project financed by GEF is located in Istanbul.

70. As regards transporting the region's oil and gas to western markets, a decision should be taken in deliberations over the most economically and politically suitable route to reduce the heavy volume of shipping from the Black Sea which passes through the straits, which otherwise will increase pollution in those waters and present an increased health risk to Istanbul's 12 million inhabitants.

71. Therefore, because Turkey can offer an ideal overland transit route through its territory to the West, serious thought should be given to the Turkish Government's proposal regarding the Baku-Ceyhan route.
## APPENDIX

### Chronology of regional political development from 1992

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>3 February</td>
<td>Istanbul. Meeting of the Ministers for Foreign Affairs of the Black Sea states. A project is launched for economic cooperation in the Black Sea area.</td>
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<tr>
<td>3-4 February</td>
<td>The President of Ukraine, Leonid Kravchuk, visiting Germany with the Minister for Foreign Affairs, Anatoly Zlenko, and the Minister for Economic Relations, Valery Kravchenko, publicly states his intention to denuclearise Ukraine and reduce levels of armed forces.</td>
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<tr>
<td>9 February</td>
<td>First multi-party local elections held in Romania.</td>
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<tr>
<td>21 February</td>
<td>Georgia. The Military Council, which took power in January after the departure of President Gamsakhurdia, proclaims the restoration of the 1921 Constitution of the Democratic Republic of Georgia.</td>
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<tr>
<td>6 March</td>
<td>Mr Shevardnadze, former Soviet Foreign Affairs Minister returns to Georgia. Sporadic fighting breaks out in South Ossetia between Georgian troops and Ossetian separatists.</td>
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<tr>
<td>12 March</td>
<td>Ukraine. President Kravchuk announces that transfers of tactical nuclear weapons to the Russian Federation, where they are to be destroyed, are to be halted. Georgia applies to join the IMF.</td>
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<tr>
<td>12-14 March</td>
<td>Talks between the Russian Federation and Chechnya on Chechen-Ingushetia independence.</td>
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<tr>
<td>16 March</td>
<td>Russian President Boris Yeltsin announces that Russian jurisdiction is once again to cover troops stationed in central and eastern Europe. Bulgaria-Turkey: The signature is announced of a defence and technical cooperation agreement. Agreement of principle between Georgia and North Ossetia on opening tripartite talks on the status of South Ossetia.</td>
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<tr>
<td>21 March</td>
<td>Referendum in Tatarstan on self-government.</td>
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<td>23 March</td>
<td>Georgia is recognised by the European Union and then, on 24 March, by the United States, when the Republic joins the OSCE.</td>
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<td>31 March</td>
<td>Russian Federation. The Federation Treaty, defining the demarcation of powers between the central government in Moscow and the regions, is signed by 18 of the 20 independent republics comprising the Russian Federation. This is an important stage in the process of political change in Russia, leading to a new constitution, proposed by the Congress of People's Deputies. Two republics, Tatarstan and Chechen-Ingushetia, refuse to sign the Treaty. A state of emergency is declared in Grozny following a worsening of tensions between the local Chechen government and the Moscow authorities.</td>
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<tr>
<td>3-4 April</td>
<td>The Georgian and Russian Foreign Affairs Ministers announce the preparation of a treaty to determine the status of CIS forces stationed in Georgia.</td>
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<tr>
<td>14 April</td>
<td>Ukraine announces the resumption of transfers of tactical nuclear weapons to Russia.</td>
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<tr>
<td>26 April</td>
<td>Meeting of the Confederation of mountain peoples of the Caucasus to discuss their status vis-à-vis Russia.</td>
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<tr>
<td>29 April</td>
<td>Odessa. Negotiations between Russia and Ukraine on the division of the Black Sea fleet.</td>
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<tr>
<td>6 May</td>
<td>Turkey assumes the Presidency of the Council of Europe for a six-month term of office.</td>
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<tr>
<td>5-7 May</td>
<td>Mr Dimitrov, the Bulgarian Prime Minister, visits Turkey to meet with his Turkish counterpart, Süleyman Demirel. A treaty on friendship, good-neighbourly relations, cooperation and security is signed.</td>
</tr>
<tr>
<td>7 May</td>
<td>Bulgaria becomes the 27th member of the Council of Europe. Ukraine, followed by the Russian Federation, files an application for membership.</td>
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</tbody>
</table>
25 May: Turkish Prime Minister, Suleyman Demirel, visiting Moscow, proposes the creation of a Black Sea economic cooperation area

26 May: The governments of the Russian Federation and Ukraine decide that the Black Sea fleet will not form part of CIS strategic forces.

1 June: Romania initiates the process of privatising its economy by distributing public vouchers.

6 June: Summit meeting in Moscow of CIS heads of state, not attended by Azerbaijan.

23 June: Presidents Yeltsin of Russia and Kravchuk of Ukraine agree to draw up a political treaty reflecting good relations between their two countries.

25 June: Signature in Istanbul of the Summit Declaration on Black Sea Economic Cooperation by Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey and Ukraine. The agreement covers energy, transport, communications, the environment and information, and the creation of a joint investment bank. An inaugural conference is held the same day.

1 July: Diplomatic relations are established between Georgia and the Russian Federation.

4 July: Representatives from Georgia, North Ossetia, South Ossetia and the Russian Federation reach agreement on complete withdrawal of all armed forces stationed in South Ossetia.

3 August: The Presidents of the Russian Federation and Ukraine sign an agreement on the division of the fleet based in the Black Sea.

29 August: Russia acts as mediator in ceasefire talks between the Georgian Government and Abkhaz separatists.

3 September: Negotiations between Abkhazia, Georgia and Russia conclude with the establishment of a ceasefire, to take effect from 5 September.

10-11 September: Meeting in Istanbul, under the Turkish Presidency, of the 27 members of the Council of Europe, Georgia and the members of the CIS.

11 October: Election of Ion Iliescu as President of Romania.

13 October: Leonid Kuchma is elected Prime Minister by the Ukrainian Parliament.

4 November: Ion Iliescu appoints Nicolae Vacaroiu Prime Minister.

12 November: Military cooperation agreement between Bulgaria and Turkey.

19 November: The parliament of South Ossetia states the latter's intention of leaving Georgia and joining the Russian Federation.

20 November: Turkey is given WEU associate-member status.

6-10 December: Antalya (Turkey). The Foreign Affairs Ministers of the 11 BSEC member countries grant Poland observer status and decide to form a Business Council.

8-10 December: Mr Chernomyrdin is appointed Prime Minister of Russia.

1993

5 January: Abkhazia. The President of Georgia appeals to Boutros Boutros-Ghali for the UN to intervene in the conflict between government forces and Abkhaz rebels.

15 January: Summit meeting between Russian President Boris Yeltsin and Ukrainian President Leonid Kravchuk and Prime Ministers Victor Chernomyrdin and Leonid Kuchma on the CIS and bilateral cooperation issues.

3 February: Ukraine and Poland sign a bilateral cooperation agreement on defence matters.

9 February: Bulgaria. An action plan for the economy envisaging large-scale privatisation is put forward by Parliament.

26 February: Albania, Armenia, Azerbaijan, Georgia, Moldova, Romania, Russia and Ukraine sign the Declaration on the establishment of the Parliamentary Assembly of the Black Sea Economic Cooperation.

March: Continuing civil war in Georgia forces Mr Shevardnadze to take over as head of the Council of State.
May: Crisis within the Georgian Council of State. By becoming involved in the Abkhaz conflict, Russia applies pressure on Georgia to rejoin the CIS.

11 May: Cooperation agreement between Russia and Turkey on the defence industry and military exercises.

16 May: Turkey. Prime Minister Suleyman Demirel is elected President for a seven-year term after the death, in April, of President Turgut Ozal, who had held office since 1989.

20 May: A ceasefire agreement comes into effect in Abkhazia.

14 June: Mrs Tansu Ciller, representing the centre-right True Path Party, takes office as Prime Minister of Turkey.

16-18 June: First meeting of the Parliamentary Assembly of the Black Sea Economic Cooperation. Election of members of the Bureau. Election of Mr Faik Kaytanci to the post of Secretary-General and establishment of three committees: Economic, Commercial, Technological and Environmental Affairs Committee, Legal and Political Affairs Committee, Cultural, Social and Educational Affairs Committee.

2 July: The Supreme Court of Ukraine declares that all nuclear weapons based on Ukrainian territory are the property of that country but gives an undertaking never to sanction their use.

14 July: Bilateral defence agreement between Turkey and Ukraine.

27 July: A provisional peace agreement is signed between the President of Georgia and the Abkhaz separatists, envisaging a timetable for withdrawal of armed forces from the combat zone as from 28 July, the date on which the ceasefire takes effect.

14 September: The Georgian Supreme Soviet approves Mr Shevardnadze's decision to declare a two-month state of emergency from 20 September. The Supreme Soviet decides not to sit during that period.

16-27 September: Surprise attack by Abkhaz rebels, who now control virtually the whole of Abkhazia, in particular the Black Sea towns of Gagra and Sukhum.

21 September: Boris Yeltsin's decree on constitutional reform throws the Russian political classes into turmoil. The agreement between Russia and Ukraine on the Black Sea fleet is suspended.

27 September: Ukraine. President Kravchuk takes control of the Council of Ministers after the resignation of Prime Minister Kuchma on 21 September.

28 September: The Parliamentary Assembly of the Council of Europe approves Romania's accession.

3-4 October: Armed incidents occur in Moscow following the suspension of parliament decreed by President Yeltsin on 21 September. A state of emergency is declared in Moscow from 3 to 18 October.

4 October: Moscow. End of armed combat.

7 October: Romania officially becomes the 32nd member of the Council of Europe following a vote in favour of its admission on 4 October.

16 October: President Yeltsin announces a referendum, to be held on 12 December.

18-30 October: Georgia regains the territory occupied by the Abkhaz rebels. By 31 October, the town of Poti alone remains in rebel hands.

22 October: Georgia signs a decree of accession to the CIS.

9 November: Publication of Russia's draft Constitution.

20 November: Georgia. The state of emergency declared on 20 September is extended to 20 January 1994.

29 November-1 December: Greece makes a request to join the PABSEC at the Assembly's second plenary session.

2 December: Ankara. Signature by Turkey and Iran of a protocol on cooperation in security matters.

9 December: The Foreign Affairs Ministers of the PABSEC states, meeting in Sofia, agree to establish a trade and development bank for the Black Sea area.
9 December. Tensions in Chechnya and boycott of Federal Government elections and the referendum proposed by President Yeltsin.

12 December. Election of the Russian Federal Assembly. Vladimir Zhirinovsky's Liberal Democratic Party of Russia gains 22.8% of the vote as compared with a 15.4% share for Russia's Choice Party and 12.4% for the Communist Party.

31 December. Georgia. Death of Zviad Gamsakhurdia

1994

11-13 January Negotiations in Geneva under United Nations auspices between Georgia and representatives of the Abkhaz independence movement. The agreement reached between the two parties provides for the deployment of Russian forces under United Nations supervision.

20 January. Russia. President Yeltsin and Prime Minister Chernomyrdin form a new cabinet.

31 January. Yuri Meshkov is elected President of the Ukrainian Republic of Crimea with 72.9% of the vote and requests that a referendum be held on the status of Crimea, leading to the establishment of an independent Crimea within the CIS.

3 February. Boris Yeltsin visits Tbilisi. The Russian and Georgian Presidents sign some 25 agreements marking the extension of Russian influence in the Caucasus.

9 February. Boutros Boutros-Ghali reaffirms his refusal to deploy UN forces in Abkhazia for as long as the parties to the conflict, Georgia and Abkhazia, can find no common ground for agreement.

10 February. The breakaway Abkhaz parliament proclaims independence from Georgia.

22 February. President Kravchuk of Ukraine makes known that he does not intend to stand in the 1996 presidential elections, when his term of office expires.

24 February. Following the January elections, the Supreme Council of Ukraine states that Crimea cannot conduct independent foreign, monetary or defence policies. It nevertheless stipulates that Crimea is neither a threat nor a barrier to state sovereignty.

1 March. The Georgian Supreme Council, meeting in plenary session for the first time since suspending sittings in September 1993, ratifies Georgia's treaty of accession to the CIS.

27 March. In the referendum, a majority of the people of Crimea vote in favour of greater autonomy.

31 March-4 April. Negotiations between Abkhazia and Georgia and signature of various agreements.

2-3 and 9-10 April. Government elections held in Ukraine. The Independence Party gains 163 seats and the Communist Party 86.

14 April. Mr Kuchma decides to stand in the Ukrainian presidential elections.

30 April. Mr Kravchuk enters the race for the Ukrainian presidential elections which are to be held in June.

9 May. The Defence and Foreign Affairs Ministers of the WEU member countries, meeting in Luxembourg, approve the creation of the status of associate partner, which is given to nine central and eastern European countries, including two PABSEC members – Bulgaria and Romania.

11 May. The IMF approves loans to Romania for reducing inflation, assistance with conversion and privatisation of public sector companies and maintaining the convertibility of the leu. At the same time, the European Union on 17 May, and the World Bank on 20 May, also approve loans to Romania to provide support for its balance of payments and the private sector.

14 May. An agreement for a ceasefire and the withdrawal of government and rebel troops is signed in Moscow between Georgia and Abkhaz separatists.

20 May. The Ukrainian Republic of Crimea restores the Constitution established in May 1992 and suspended in September of the same year.

21 May. The Supreme Council of Ukraine requests the suspension of the Constitution of Crimea, an ultimatum which is rejected by Crimea.

24 May. The Ukrainian and Crimean leaderships agree to set up a working party intended to reduce tensions between the two sides.
27 May: An assassination attempt on the President of the Chechen Republic, General Dzhokhar Dudayev, leads to mounting tension between Moscow and Grozny.

14 June: Signature of a partnership agreement between Ukraine and the European Union.

20-22 June: Third plenary session of PABSEC in Bucharest.

22 June: Russia joins NATO's Partnership for Peace programme.

24 June: Russian peacekeeping forces are deployed on Abkhaz territory under United Nations auspices. A partnership and cooperation agreement between the European Union and Russia is signed in Corfu.

26 June: First round of the Ukrainian presidential elections. The outgoing President, Leonid Kravchuk, receives 37.7% of the vote as against former Prime Minister, Leonid Kuchma's 31.3%.

10 July: In the second round of the Ukrainian presidential elections Leonid Kuchma carries the day with 52.14% of the vote as against 45.06% for Leonid Kravchuk.

21 July: The United Nations passes a resolution approving the presence of Russian troops on Georgian territory, as part of efforts to keep the peace between Georgia and the Abkhaz separatists, and recommending an increase in the number of observers on the ground.

27 July: The IMF and Ukraine announce the opening of discussions on implementation of an economic programme.

6-8 September: Meeting of the PABSEC in Istanbul on developing cooperation at levels other than that of government.

27 September: President Shevardnadze threatens to resign after steadfast opposition to his every decision. The Supreme Soviet rejects a motion of no confidence.

4-11 October: Withdrawal of Georgian troops from Abkhazia.

17 October: President Zhelev dissolves the Bulgarian National Assembly and calls a general election.

10 November: Signature of partnership agreements between the European Union and Ukraine.

16 November: Ukraine ratifies the non-proliferation treaty (NPT).

25-26 November: Chechnya. Failed attempt to take the capital by troops hostile to President Dudayev.


11 December: Fourth session of the PABSEC in Tirana.

Russian troops intervene in Chechnya after negotiations between Moscow and President Dudayev fail. War breaks out in Chechnya.

18 December: General election held in Bulgaria. The Bulgarian Socialist Party is returned to power.

1995


19 January: Chechen separatists desert the presidential palace in Grozny.

3 February: Presidents Yeltsin and Shevardnadze sign a series of economic and military agreements in Tbilisi.

6-8 February: The Chechen capital, Grozny, is captured by Russian forces.

March: The PABSEC agrees to adopt a long-term economic development plan.


23 March: Military agreements between Russia and Georgia on stationing Russian troops on Georgian territory.

30 March: The Russian Prime Minister announces a second wave of privatisations.
12 April: The IMF approves substantial loans for Russia to help stabilise the economy and its programme of reforms.

14 April: Meeting in Athens of Foreign Affairs Ministers of the Black Sea Economic Cooperation with significant progress being made by Bulgaria, Greece and Russia on the issue of the Burgas-Alexandroupolis pipeline. The other issue for discussion relates to the economic problems created by UN sanctions against former Yugoslavia. Bulgaria, Greece, Moldova, Romania and Ukraine ask for sanctions to be lifted. Russia, as a member of the contact group, does not sign the declaration but records its assent. Turkey refuses to countenance the embargo being lifted.

3 May: Ninth meeting of the PABSEC.

18-19 May: Cooperation agreements between Bulgaria and Russia, including an economic cooperation agreement.

9 June: Boris Yeltsin and Leonid Kuchma sign an agreement in Sochi, on the Black Sea fleet.

14-20 June: Following the taking of hostages by the Chechen leader, Shamil Bassayev, in Budyonovsk, an agreement is concluded on a ceasefire and negotiations for the withdrawal of Russian forces.

27 June: Meeting of European Union member and associated states: Preparation of the white paper on integration of the central and eastern European countries (CEEC) in the Union.

30 June: The second BSEC summit, meeting in Bucharest, adopts a declaration on cooperation in trade and banking and over transport, telecommunications and pollution control.

14 July: Boris Yeltsin proposes holding elections to the Russian State Duma on 17 December.

17 July: Trade cooperation agreement signed between Russia and the European Union.

23 July: The Grand National Assembly of Turkey passes 16 constitutional amendments directed towards improving democratic rights and eliminating certain restrictions on civil liberties, by repealing legislation passed in 1982 by the military government then in power.

24 July: The European Union welcomes the amendments adopted by Turkey, stating that such attitudes are helpful in obtaining final approval from the European Parliament for a customs union between Turkey and the EU.

27 July: The IMF makes further loans to Georgia.

17 August: Draft agreement between Russia and Ukraine on the Black Sea fleet.

24 August: The Georgian Parliament adopts a new Constitution advocating the separation of powers, and establishes a strong presidency.


14 September: The Ukrainian Minister for Foreign Affairs, Henadi Udovenko, attends a NATO summit and signs an individual cooperation programme within the framework of the Partnership for Peace. On his return from Brussels, Mr Udovenko confirms Ukraine's resolve to stay on the fringes and maintain its non-aligned status. There is no mention in the cooperation agreement signed with NATO that Ukraine has any intention of joining.

15 September: The Russian Prime Minister, Mr Chernomyrdin, visits Georgia and signs various cooperation agreements with Mr Shevardnadze, many of them make reference to four Russian bases (Vaziani, Abkhalkalaki, Batumi and Gudauta) being maintained in Georgia in return for economic aid.

20 September: The Turkish coalition government led by Mrs Ciller resigns. The Prime Minister agrees to stay on to try and form a new minority government.

25 September: Introduction of the lari in Georgia to replace the rouble.

17 October: Georgia. The new Constitution adopted in August takes effect.

19 October: The Council of Europe admits Ukraine and the Former Yugoslav Republic of Macedonia as members with effect from 9 November.

5 November: Presidential and government elections in Georgia. Mr Shevardnadze is elected for a five-year term, having obtained over 70% of the vote.

9 November: Ukraine and the Former Yugoslav Republic of Macedonia admitted to the Council of Europe.
27-29 November: Ankara 6th plenary session of the BSEC General Assembly

November-December: The President of the Azerbaijan National Assembly, Rasul Kuliyev, is appointed President of the PABSEC.

11 December: Georgia. Following his victory in November, President Shevardnadze appoints a new cabinet.

13 December: The European Parliament votes in favour of customs union with Turkey, with effect from 1 January 1996.

14-17 December: Doku Zavyayev is elected President of the Chechen Republic in elections organised by Moscow and boycotted by the separatists.

16 December: European Union summit meeting in Madrid. Bulgaria makes an official application for membership.

17 December: Russia. Elections to the State Duma. Victory for the Communist Party of the Federation of Russia with 22.3% of the vote.

24 December: General elections in Turkey are won by Necmettin Erbakan's Refah (Welfare) Party with 21.25% of the vote, followed by the ANAP with 19.7% and the True Path Party with 19.21%. Mrs Ciller resigns but agrees to remain in post until a new government is formed.

Late December: Fighting resumes throughout Chechnya.

APPENDIX

1996

Romania. Presidential and government elections

1 January: The customs union between Turkey and the European Union comes into effect.

4 January: Kiev. Summit meeting between Russia, the United States and Ukraine on implementation of the nuclear disarmament treaty signed in January 1994.

5 January: The Russian Minister for Foreign Affairs, Mr Kozyrev, resigns and is succeeded by Mr Primakov.

25 January: The Parliamentary Assembly of the Council of Europe approves Russia's accession as the 39th member of the organisation by 164 votes in favour to 35 against.

6 February: President Kuchma requests help from western nations with the plan to close down the Chernobyl nuclear power station.

15 February: Boris Yeltsin, elected President of the Russian Federation in June 1991, formally announces his intention of standing for a second presidential term. Gennadi Zyuganov, the leader of the Communist Party, also announces his intention to stand.

22 February: The Director of the IMF, Mr Camdessus, reveals that an agreement has been reached with Russia on a US$ 10.2 billion loan.

28 February: Russia officially joins the Council of Europe.

18-19 March: Moscow. Signature of an agreement between Georgia and Russia on the integrity of Georgian territory.

26 March: The IMF adopts a three-year loan plan for Russia.

29 March: Opening of the European Union intergovernmental conference (IGC).

31 March: President Yeltsin's decision to halt Russian operations in Chechnya is not implemented on the ground.

17 April: Negotiations are opened between Georgia and South Ossetia with a view to a mutual strengthening of security and progress towards peace.

21 April: News of the death of the leader of the Chechen separatist movement, Dzhokhar Dudayev.

22 April: Signature of partnership agreements between Armenia, Azerbaijan, Georgia and the European Union.

9 May: Financial crisis in Bulgaria caused by depreciation of the national currency (lev) and a fall in the exchange rate.

24 May: Turkey. The centre-right coalition formed in March undergoes a crisis bringing it to the verge of breakdown.

27 May: Boris Yeltsin and Zelimkham Yandarbiev, the new Chechen separatist leader, sign a ceasefire agreement.
Ukraine: Prime Minister Marchuk is removed from office by President Kuchma and replaced by Pavlo Lazarenko.

1 June: President Kuchma announces the completion of Ukraine’s nuclear disarmament programme.

Bulgaria: After the first round of elections within the Union of Democratic Forces (UDF), President Zhelev is replaced by Petar Stoyanov as the party’s presidential candidate in elections due to be held in January 1997.

11-13 June: Baku. Seventh plenary session of the PABSEC.

16 June: First round of the Russian presidential elections. Boris Yeltsin wins 35.28% of the vote (approximately 26,664,890 votes) against rival Gennadi Zyuganov with 32.04% (24,211,790 votes). Alexander Lebed gains 14.52%.

18 June: Mr Lebed and Mr Yeltsin declare an alliance. General Lebed is appointed National Security Adviser and Secretary of the Security Council.

25 June: Boris Yeltsin signs a decree providing for partial withdrawal of Russian troops from Chechnya by 1 September.

28 June: The Supreme Council of Ukraine announces the adoption of a new Constitution.

29 June: Ankara. Mr Erbakan, Welfare Party leader, becomes Prime Minister of a coalition government formed with Mrs Ciller's party, the DYP (True Path Party). Mrs Ciller is appointed Minister for Foreign Affairs.


6-14 August: General Lebed, who supports reaching agreement with the Chechens, obtains special extended powers from the Kremlin and takes over responsibility for the Chechen question.

22 August: General Lebed and Aslan Maskhadov sign an agreement for a ceasefire and military disengagement.

23 August: The ceasefire agreement comes into force in Chechnya.

31 August: General Lebed and Mr Maskhadov sign a Russo-Chechen peace agreement providing for the withdrawal of Russian troops and a referendum on the status of Chechnya in the year 2001.

16 September: Prime Ministers Nicolae Vacaroiu of Romania and Gula Horn of Hungary sign an important treaty on coexistence and good-neighbourly relations between their two countries.

22 September: Armenia. Election of Levon Ter-Petrosian with 51.9% of the vote as against 41.16% for his opponent, Mr Vazgen Manukyan.

24 September: Yerevan. Demonstrations against the elected President Ter-Petrosian and tension in the capital.

17 October: Alexander Lebed is dismissed from his post as Secretary of the Security Council by Russian President, Boris Yeltsin.

19 October: Russia. Ivan Rybkin, former President of the Duma, is appointed Secretary of the Security Council and the President’s representative in Chechnya.

Chechnya: Aslan Maskhadov, Chief of Staff of the Chechen breakaway forces, is appointed Prime Minister of the coalition government. The government meets for the first time since the conclusion of the peace agreements.

25 October: Moscow. Third meeting of the heads of state and of government of the participating states of BSEC. Moscow Declaration issued as a result.

Turkey takes over the presidency.

Poland’s observer status is extended for two more years.
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