

The Black Sea Economic Cooperation Process

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Among the different initiatives for regional cooperation in central and eastern Europe, which were launched after the sea changes in 1989, the Black Sea Economic Cooperation Process represents a special type of cooperation because it includes a Member State of the European Union (Greece), states which are associated with the EU (Bulgaria, Romania and Turkey) and states which have signed a Partnership or Trade and Economic Cooperation Agreement with the EU (Albania, Armenia, Azerbaijan, Georgia, Moldova, Russia and Ukraine). The Black Sea Economic Cooperation Process is built around three main areas of cooperation:

- governmental: the Black Sea Economic Cooperation;
- parliamentary: the Parliamentary Assembly of the Black Sea Economic Cooperation;
- financial: the Black Sea Trade and Development Bank.

The Black Sea Economic Cooperation (BSEC)

Dating back to a Turkish initiative of 1990, the BSEC was founded in June 1992 with the ‘Summit Declaration on Black Sea Economic Cooperation’ and the ‘Bosphorus Statement’ signed by the Heads of State or Government of the above mentioned eleven countries.

Whilst the Bosphorus Statement defines the BSEC’s broader political framework, the Summit Declaration outlines the scope of cooperation which will focus on trade and economic matters but will also include areas such as environment and infrastructure as potential areas of cooperation. Although the BSEC is very much oriented towards economic cooperation it is, unlike, for example, the Central European Free Trade Area, not aiming at gradually establishing a free trade zone between the Participating States, but is only geared ‘to develop comprehensive multilateral and bilateral Black Sea economic cooperation’.¹

Legal base

The BSEC does not constitute a regional organization in a legal sense since it is not based on an agreement binding under international law. The BSEC still bases its cooperation on the ‘Bosphorus Statement’ and the ‘Summit Declaration on Black Sea Economic Cooperation’ and other solemn declarations signed at summit meetings in Bucharest and Moscow in subsequent years.

In the last two years, however, some Participating States have expressed their interest in upgrading this basis of the cooperation from a mere political to a legally binding document. Although a statement of the political will to draft this international agreement, which would have to be ratified by the Participating States according to their constitutional provisions, has since been included in several official declarations it can be expected that it will still be some years yet until such a document is ready for

signing.² Moreover it is doubtful whether all eleven Participating States would join in this initiative.

Membership of the BSEC

At first glance the name of this cooperation agreement, Black Sea Economic Cooperation, suggests that one precondition of joining the BSEC is to be a state which borders on the Black Sea. However, since not even all founding states of the BSEC themselves border on the Black Sea, the reference to the Black Sea seems to refer to a geographically rather loosely defined area. Also the declarations establishing the BSEC do not entail any condition of membership for states interested in joining the BSEC other than that they have to recognize the provisions of the Summit Declaration on Black Sea Economic Cooperation. Therefore the BSEC appears to be an initiative open to all those states who are interested in joining it. The only really strict criteria for becoming a member of the BSEC seems to be the fact that the Participating States have to approve the accession of a new state. A number of states have already applied for membership such as the Federal Republic of Yugoslavia, the Republic of Macedonia, Iran, and Uzbekistan.³ However, when looking at the divergent interests of the current BSEC states it is rather doubtful that it will find it easy to reach agreement on applications submitted by these states.

Once a state is a full member of the BSEC club it is not committed to becoming involved in all BSEC projects.⁴ This approach is guided by the pragmatic aim of cooperating as closely as possible without there being any obligation on BSEC states to support projects which are of no interest to them. Considering the political situation in, and the relations between, the BSEC states, any attempt which would go beyond pragmatic economic and functionally oriented cooperation would not be successful at this stage.

This does, however, not exclude discussions between the BSEC states on political issues such as the crisis in Transnistria (Moldova) which has been the subject of discussion between the states involved and Turkey. These discussions laid the foundations for an appeasement of this conflict.⁵ Another, more recent, example in this respect are the relations between Greece and Turkey. At the BSEC meeting in Bucharest in June 1996 the Foreign Ministers of Greece and Turkey expressed their wish ‘not to burn the bridges between them although, this does not yet mean an official dialogue will be initiated’.⁶ Of course, this does not turn the BSEC into a political cooperation organization but it shows its potential in this respect.

An option for other states or international organizations to become more involved in BSEC activities, without however being a fully fledged BSEC state, is to join this

cooperation initiative as an observer.⁷ Quite a few states such as Egypt, Israel, Italy, Austria, Poland, Slovakia, and Tunisia have availed themselves of this possibility.⁸ This status basically allows the respective state to be present at meetings on a regular basis and to obtain a copy of all officially adopted documents.

Decision-making structure

The body which gives the political impetus and defines the guidelines for future cooperation at BSEC level is – as in the case of the European Union – the meeting of the Heads of State or Government which takes place on a non-regular basis in different capitals of the BSEC states. After the first meeting in Istanbul in June 1992, it was another three years until the second meeting, which was held in Bucharest in June 1995. A third high-level meeting took place in Moscow in October 1996. These summit meetings are not part of the regular decision-making structure of the BSEC but they nevertheless play an important role in confirming the will of the Participating States to further cooperate and to define, for example, some priority areas of cooperation.⁹

The official decision-making body of the BSEC is the Meeting of Ministers of Foreign Affairs (MMFAs) which convenes on a regular basis, normally twice a year and at which every Participating State is represented and has one vote.¹⁰ Eight of these meetings have been held to date.¹¹ The meetings are chaired by, and held in the country which holds the office of the chairman. Custody of the chairmanship goes in turn to each BSEC State for a term of six months in alphabetical order. Unlike the European Union, however, the chairmanship's term is handed over respectively in May and November.¹²

The ministers can adopt resolutions, decisions or recommendations which differ from each other in three respects:

- a) The majority required for their adoption: whilst a resolution is in effect adopted by unanimity, decisions and recommendations can be adopted by a simple majority of the Participating States.
- b) Their binding character: although none of the three instruments is binding for the States, all Participating States shall abide by the resolutions.¹³ Decisions shall only be respected by those states which have agreed to it and recommendations are merely expressions of political intent. However, considering the fact that the BSEC is based only on declarations which are not even binding under international law, the structure of the BSEC evidently does not provide for any sanctions or measures in the event that a Participating State does not comply with its commitments resulting from resolutions.¹⁴
- c) Their subject matter: Resolutions should deal mainly with substantial questions concerning the structure and working methods of the BSEC. Decisions should deal rather with issues of a more technical nature. In practice however and irrespective of this differentiation, the Ministers tend rather to adopt resolutions than decisions or even recommendations.

The Ministers' meetings are prepared by about 20 different standing working groups and expert committees. They meet on a non-regular basis in different places

depending on which country is willing to host their meetings. The working groups submit their reports to the Senior Officials Meeting which is a collective body representing the Ministers of Foreign Affairs of the BSEC States. The Senior Officials meet at least four times a year. The major task of this body is to coordinate the work of the subsidiary bodies and to prepare the MMFAs.

This description of the decision-making and organizational structure needs however to be complemented by some further comments in order to arrive at a more or less realistic picture of the current state of development of the BSEC.

- *Firstly* the task of the working groups is not always defined very accurately so that the competences of the different working groups partly overlap.¹⁵ The mandate of other working groups was sometimes not clearly defined so that, in fact, some of them such as the ad hoc Working Group on Travel of Individuals from the Business Community or the ad hoc Working Group of Experts on Promotion and Protection of Investment have only met once or twice since they were established.
- *Secondly*, it is rather difficult sometimes for working groups to meet because Participating States are reticent to host the meetings for them. This reticence is more connected to the BSEC states' reluctance to make the effort to organize the meeting rather than with the financial burdens involved because the delegations themselves and not the host country bear the costs relating to the working group meetings.
- *And thirdly*, the representatives who were being sent to the meetings were not sufficiently well prepared and were sometimes very junior and therefore not able to take any, even quite basic, decisions.

In response to this criticism, in October 1996 the Foreign Ministers decided to reform the decision-making and organizational structure.¹⁶ The main elements of this reform are a considerable reduction in the number of Working Groups and an upgrading of the Senior Officials meeting.¹⁷ Although this reform still needs to be implemented, it is doubtful whether it will lead to solving the current problems since they mainly stem from a lack of commitment of the Participating States to the BSEC's initiative than from the structure as such. If the Participating States are not willing to devote reasonable human resources to this means of cooperation, the BSEC will continue to work inefficiently and, to a certain extent, ineffectively.

Budget

As regards the financial contributions to the BSEC budget the Foreign Ministers agreed upon certain quotas for each Participating State.¹⁸ However, these quotas only apply from the year 1998 onwards. For the previous years special rates have been used since Turkey had agreed to contribute to the budget with an unproportionally large share. It can be expected that the changes to the financial system will lead to some adjustments to the financial contributions of the Participating States. The Ukraine has already expressed reservations about its placement in the Group contributing the largest share and has indicated that it cannot fulfil its financial obligations resulting therefrom in 1998.

Permanent Secretariat

The BSEC process is supported by a Permanent International Secretariat, located in Istanbul. The Secretariat plays a very important role since it is responsible for the practical coordination between the different levels of cooperation and it collects and compiles information which is needed to develop particular cooperation projects. In spite of this great importance attached to the work of the secretariat it is still too weak to be an effective powerhouse for the cooperation process since its staff comprises a very limited number of civil servants from different BSEC states – not exceeding ten persons or so and some supporting staff.¹⁹ Even though the BSEC is not aiming at comprehensive cooperation it would be necessary to provide the secretariat with more professional staff even if it is only to allow it to fulfil its current tasks.

Achievements

Considering the political and economic divergence of the countries involved and the fact that the BSEC was only founded four years ago it is not surprising that the measurable results of this cooperation are rather modest thus far. However, it is important to note, that already a certain concentration on certain policy areas is apparent. Some of the most important are outlined below:

- Infrastructure: A project which began almost at the very start of the BSEC project was to compile a map of roads, railways, ports and shipping connections in the BSEC region. This task has been accomplished after two years. Moreover, also in line with the BSEC's strategy to improve its relations with international organizations and non-aligned states, the first joint Conference of the Ministers of Transport of the BSEC States and the Central European Initiative took place on 20-22 November 1996.²⁰
- Investment and business undertakings: A number of conferences have taken place and recently a document was adopted which outlines 'Basic principles of Investment collaboration in the Black Sea Economic Cooperation Region'.²¹ However, it is stressed that these principles are not binding for the States which approved this document.
- Matters relating to internal affairs: Although this policy area does not fall within the original scope of the BSEC cooperation project it has increasingly been taken up as an area of potential cooperation. The Ministers of Internal Affairs of the BSEC states which met in Yerevan in October 1996 for the first time adopted a joint statement expressing their will to strengthen cooperation in areas such as combating organized crime, terrorism, illicit drug dealing and illegal migration.²²

The reasons for the lack of concrete results are, however, only partly due to the fact that the BSEC was founded only four years ago. Another important reason is that nearly all Participating States are undergoing severe economic transition processes. Their internal political situation is often not secure. Moreover the BSEC, unlike the cooperation of individual BSEC states with the European Union, does not have an overall positive image. Therefore, in some countries there might exist a national consensus

on future membership of the European Union,²³ but this does not, likewise, apply to membership of the BSEC.

Parliamentary Assembly of the BSEC (PABSEC)

In February 1993, thus only eight months after the BSEC had been established, the speakers of the national parliaments of the BSEC states signed an agreement to establish a Parliamentary Assembly which should complement and support the intergovernmental cooperation of the BSEC.²⁴

Membership of the PABSEC and relations with the BSEC

Initially only nine of the eleven BSEC states participated in this initiative. In June 1995, Greece joined PABSEC as its tenth member; Bulgaria still attends the PABSEC meetings only as an observer. As regards new members of PABSEC, although neither the agreement establishing PABSEC nor its Rules of Procedure indicate clearly whether membership of PABSEC is limited to BSEC states or not, it can be assumed that PABSEC is only open to BSEC states since the task of PABSEC is, among others things, to urge 'national parliaments of the Participating States to enact legislation needed for implementation of decisions taken' at BSEC level.²⁵ Observer status with PABSEC, however, is granted independently of the BSEC.²⁶

In a formal sense the BSEC and PABSEC are two separate cooperation structures. However, PABSEC has always expressed its interest in closer cooperation with the BSEC. Even in its founding declaration of February 1993, PABSEC aimed its objectives at the principles and goals embodied in the Summit Declaration adopted in Istanbul. Due to the fact that the BSEC was very hesitant to establish formalised cooperation structures, only some guidelines were adopted in April 1996 – guidelines which should help to build an organizational bridge between the two structures.²⁷ These guidelines firstly formalize the currently informal practice of exchanging information and sending, upon invitation, representatives of BSEC and PABSEC to meetings of the other body respectively. Secondly, as a new element, these guidelines open up the opportunity of officially organizing joint meetings at different levels. Although these guidelines can be considered as a step towards a more coherent organizational structure they still leave the BSEC and PABSEC as formally separate initiatives.

Organizational and decision-making structure

PABSEC is composed of 70 members, who are all members of national parliaments of the BSEC states. The number of seats per country is calculated on the basis of the size of the country's population. The smallest delegations comprise four members (Albania, Armenia, and Moldova) and the largest delegation comes from Russia which sends 12 members.

Since its first meeting in Istanbul in June 1993, PABSEC has met regularly twice a year in different cities.²⁸

PABSEC has established three permanent committees covering broadly economic, political and cultural issues. The committees submit reports and draft recommendations to the PABSEC plenary session which approves the reports and adopts the recommendations by absolute majority. As

a result of the fact that PABSEC and BSEC formally constitute two distinctive cooperation structures, the recommendations of PABSEC are not officially taken into consideration by the BSEC.

The voting procedure applied within PABSEC, which was subject to criticism from some PABSEC members as not being properly democratic,²⁹ takes into consideration the great political sensitivity between the PABSEC states. Votes on subject matters are not held on the basis of every individual parliamentarian having a vote but only on a basis of delegations which then have one vote each. Individual votes where every Parliamentarian has one vote are only held on matters involving personnel e.g. the election of the president or the treasurer of PABSEC.³⁰ This rule is unfortunate for two reasons: First, it does not take into consideration the different size of the delegations. Hence the vote of e.g. the Russian or the Turkish delegation counts as much as the vote of the Albanian or Armenian delegation. Second, and more important, in view of the political culture within PABSEC, there is a great risk that opposition members within delegations, who may have different views on certain matters from their colleagues from the ruling party, cannot even express their stance in votes because usually the government representatives will form the majority within a delegation.

As is the case with the BSEC, PABSEC is also served by a Permanent International Secretariat located in Istanbul in the same building as the BSEC secretariat and with a similarly limited personnel.

Budget

Financially, PABSEC – as is the case with the BSEC – is still largely dependent on Turkey which financed the entire budget of PABSEC up to 1995. From 1996 onwards the PABSEC states will start contributing to the PABSEC budget. The aim is, over a period of time, to make the share of each PABSEC state, as close as is possible, equal to its BSEC share.³¹

Achievements

So far PABSEC has not focused on priority areas and, as such, it has not followed the same path of development as the BSEC. In its recommendations it has addressed issues ranging from legislative harmonisation among BSEC States to the improvement of customs regulations among the BSEC States, the coordinated fight against organized crime and cooperation among the PABSEC Member Countries to improve education. In its session in Ankara in November 1995, when it reviewed the implementation of its recommendations, the parliamentarians strongly called for concrete action at national level on the areas in question.³² But, as PABSEC cannot exert any power through the BSEC, it is unlikely that the Ministers will react to this call for action. PABSEC's main source of influence derives from the fact that it consists of national parliamentarians who can – when back in their national parliaments – exert influence on their respective governments.

Therefore, the main interest of PABSEC members seems to be concentrated on informing each other about the current situation in PABSEC states with respect to the issue being discussed. Whether this will lead to an increased awareness of this avenue of cooperation amongst

parliamentarians when they go back to their national political systems is still an open question.

The Black Sea Trade and Development Bank (BSTDB)

The plan to create a BSEC Bank was first mentioned in the summit declaration adopted in 1992. However, it took two more years to draft the agreement establishing the Bank which was then signed by the Foreign Ministers at their meeting in Tbilisi in June 1994. The purpose of the BSTDB, located in Thessaloniki, Greece, is to contribute effectively to the transition process of the Member States towards economic prosperity of the region and to finance and promote regional projects, trade activities, investment or development programmes and other banking services for the public and private sectors in the Member States.

As of September 1996 seven of the eleven BSEC states had ratified the agreement. However, since only two of them, Greece and Romania, have fully completed the ratification process the Bank was still not operational by the end of 1996. The agreement establishing the Bank stipulates one billion Special Drawing Rights as the Bank's founding capital, if all countries subscribe their maximum number of shares indicated in the agreement.³³

Legal status and organizational structure

Unlike the BSEC and PABSEC which do not have a solid legal base for their cooperation agreement, the Bank is an international organization like the European Bank for Reconstruction and Development (EBRD). It is governed by a Board of Governors. Every Member State of the Bank is represented on the Board by a Governor and an Alternate Governor. The competences of the Board of Governors are wide ranging and cover, inter alia, the power to amend the Bank agreement and (temporarily) suspend Member States if they do not meet their commitments resulting from the agreement.³⁴ Decisions on these issues require a unanimous vote of the Board. Unlike the vote in the MMFAs the votes of each of the Governors are weighted according to the financial contribution of each Member State to the Bank's founding capital. The Board of Governors elects a President from among its number.³⁵

As regards the (in)dependency of the Bank from/on its Member States, the Agreement remains ambiguous. On the one hand the Agreement states that 'each Governor and each Alternate Governor shall serve at the pleasure of the appointing Member'.³⁶ On the other hand it says that the Bank in general, the Board of Directors³⁷ and the staff of the Bank in particular 'shall, in their decisions, take into account only considerations relevant to the Bank's purpose, functions, and operation as set out in this Agreement. (...) Each Member of the Bank shall respect the international and *non-political character* of this duty and shall refrain from all attempts to influence any of them in the discharge of their duties.'³⁸

Achievements

Since the Bank is not yet operational, we cannot assess its impact on the BSEC and cooperation between the BSEC states. However, for several reasons the Bank constitutes a special element within the Black Sea cooperation structure which has the potential to give further impetus to the cooperation agreement.

- Firstly the Agreement establishing the Bank requires ratification according to the constitutions of the BSEC states. It will then be an agreement binding under international law.
 - Secondly the Agreement establishes a close link between the financial contribution of each Member to the Bank and its voting power in the Bank's decision-making bodies, i.e. the Board of Governors and the Board of Directors. In other words, the larger the number of shares a Participating State has, the more say it has on the Board of Governors and the Board of Directors.
 - Thirdly, the Agreement establishes a close and direct link between the full completion of the ratification process in a Member State and the carrying out of its financial commitment resulting therefrom. And, on the other side of the coin, the Agreement provides for sanctions in the event that a Member State does not meet its financial commitments resulting from the Agreement. In such a case that percentage of the Member State's voting power corresponding to that percentage of the amount unpaid cannot be exercised.
 - Fourthly the Bank is financially supported by the European Union. At the request of Greece, the European Commission agreed to allocate ECU 250,000, through its Tacis and Phare budgets, to finance the 'business plan' to get the Bank fully operating.³⁹
- *Secondly*, if such cooperation should lead to concrete results, even only in very selective and particular projects, the regular and institutionalised follow-up of resolutions adopted by the Ministers of Foreign Affairs should be established. This could have the effect that regulations would not so much deal with political questions but focus more on specific cooperation projects of a rather technical nature.
 - *Thirdly*, in order to meet the democratic ambitions of a number of Participating States it would be advisable to establish a coherent structure between the BSEC and PABSEC which includes a formalised exchange – and not only on an ad hoc basis – of information and which confers on parliamentarians the right to ask questions of the BSEC governments.
 - The *fourth* and final aspect is geared to the international community in general and to the European Union in particular. Although the European Union has expressed its will to support regional cooperation, in the case of the BSEC process it has been rather hesitant to do so.⁴⁰ This is surprising especially when we consider the fact that Greece, being both a member of the BSEC and the European Union, considers itself a bridge between these two cooperative entities with a view to facilitating exchange between them.⁴¹ Moreover, two other Member States of the European Union, viz. Austria and Italy, hold observer status with the BSEC. This lack of continuous support can be explained by the fact that the European Union has not yet established a coherent overall strategy towards regional cooperation in central and eastern Europe including the BSEC process. Currently two BSEC States (Bulgaria and Romania) which are active within and committed to the BSEC process are aiming to join the European Union in the foreseeable future. Especially with regard to the associated countries' stance towards the BSEC process it is of crucial importance how the European Union defines its position towards this regional cooperation initiative. Should the BSEC prove either to turn into a long-term waiting room for these countries aiming at becoming a member of the European Union or if this cooperation initiative is not seen to have any positive advantage in their drive towards membership of or close cooperation with the European Union, it is rather unlikely that the BSEC process will develop into a reliable regional vehicle of cooperation since such countries, if not the others, will be very cautious in affording it further support. □

Although the above would suggest that the Bank could contribute to more intensified cooperation between the BSEC States, it will nevertheless be of crucial importance that the Bank be able to maintain a certain distance from the political interests of individual Participating States since – as the BSEC process has already shown – financial issues have to be handled with at least as equal a sensitivity as political issues.

Future Prospects

When considering existing political tensions among the BSEC States it can be assumed that the BSEC process will keep its current combined approach of a flexible organizational structure on the one hand and concentration on concrete cooperation projects on the other hand. But this flexibility, though necessary in the light of the political instability existing in the region, should not be confused with non-commitment of the Participating States.

The first few years of cooperation were characterised by a very low degree of commitment from the majority of the Participating States. This has to be changed in order for such cooperation to be on a sounder basis in any future projects. Some aspects which would be evidence of a deeper commitment to flexible cooperation are outlined below:

- *Firstly*, the cooperation between the States should be reinforced under a legally binding agreement to be ratified by the BSEC States. This would increase the credibility of the cooperation agreement both internally and *vis-à-vis* third party states. The ratification process would bring the BSEC to the more prominent notice of the national political elite which might encourage discussion on the national interest the respective state can pursue in the BSEC.

NOTES

1. Summit Declaration on Black Sea Economic Cooperation, Istanbul 25 June 1992, point 12.
2. See e.g. Moscow Declaration of the Heads of State of Government of the Participating States of the Black Sea Economic Cooperation adopted in Moscow on 25 October 1996, point 2.
3. See Resolutions adopted by the Eighth Meeting of the Ministers of Foreign Affairs, held in Moscow on 25 October 1996, Annex IV to BS/FM/R(96)2, point 39.
4. Very recently, in October 1996, a Memorandum on

- Cooperation of the BSEC Participating States in the Field of Electric Power Industry was signed by only eight states. Bulgaria, Romania, and Turkey did not join this initiative.
5. Radio Bucharest, 26 June 1992.
 6. Agence Europe, Nos 6718 and 6720, 1996.
 7. Observer status is granted for a limited period of time which usually does not exceed two years.
 8. Other countries such as Croatia, Cyprus, the Republic of Bosnia Herzegovina, Jordan, Kazakhstan, and Slovenia applied for observer status but this has not been granted to them as yet since no agreement could be reached. Although representatives of the European Commission and the European Union presidency often attend the MMFAs, the European Union has not applied to become an observer with the BSEC.
 9. See Statement of the High Level Meeting of the BSEC Participating States, Bucharest on 30 June 1995.
 10. The summit declaration on Black Sea Economic Cooperation only stipulates meetings of the Foreign Ministers at least once a year. However, up to now Ministers have mostly met twice a year.
 11. In Antalya on 10 December 1992, in Istanbul on 17 June 1993, in Sofia on 9 December 1993, in Tbilisi on 30 June 1994, in Athens on 14 April 1995, in Chisinau on 1 November 1995, in Bucharest on 27 April 1996, in Moscow on 25 October 1996.
 12. The following countries have held the chairmanship: Turkey (exceptionally for one year), Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey.
 13. Rules of Procedures of the BSEC, adopted at the Second Meeting of the Ministers of Foreign Affairs, held in Istanbul on 17 June 1993, BS/FM/R(93)1 Attachment I to Annex IV, Article 20.
 14. The BSEC International Secretariat in particular regularly complains about the reluctance of Participating States to provide information necessary to implement a certain resolution or develop a concrete proposal.
 15. The working groups are established by the MMFAs. It also defines their terms of reference.
 16. Resolutions adopted at the Eighth Meeting of the Ministers of Foreign Affairs in Moscow, 25 October 1996, Annex IV to BS/FM/R/(96)2, point 26.
 17. 'Streamlining of the BSEC Subsidiary Bodies', Background paper of the BSEC Permanent International Secretariat, Istanbul, 10 September 1996, BS/PM(96)3.Rev.1.
 18. The respective quotas are the following: Group I: Greece, Russia, Turkey and Ukraine 16% each, Group II Bulgaria, Romania 8% each, Group III: Albania, Armenia, Azerbaijan, Georgia, Moldova 4% each. These quotas will be reviewed on the basis of how average GDP developed over the last five years.
 19. Due to the ever greater specialisation of questions dealt with by the Working Groups, the Secretariat requested the Foreign Ministers to upgrade the Secretariat's staff with three additional experts who should be specialists in particular subject matters.
 20. 'Cooperation of the BSEC Permanent International Secretariat with International Organizations and Institutions' Background paper prepared by the BSEC Permanent International Secretariat, Istanbul, 29 August 1996, BS/PM(96)2.2.
 21. 'Recommendations adopted at the Eighth Meeting of the Ministers of Foreign Affairs in Moscow, 25 October 1996, Annex IV to BS/FM/R/(96)2, point 60.
 22. Joint Statement adopted at the meeting of the Ministers of Internal Affairs of the BSEC Participating States in Yerevan, 17 October 1996, Annex IV to BS/IM/R(96)1.
 23. This applies certainly to the two associated countries Bulgaria and Romania.
 24. Declaration on the Establishment of the Parliamentary Assembly of the Black Sea Economic Cooperation, Istanbul on 26 February 1993, in: PABSEC, Biannual Bulletin of PABSEC, published by the PABSEC International Secretariat, Istanbul June 1994, p. 7.
 25. Rules of Procedures of PABSEC, 1993, Aims.
 26. The Rules of Procedures indicate a number of potential candidates for observer status with PABSEC among which are the following institutions: Parliamentary Assembly of the Council of Europe, the North Atlantic Assembly, the Inter-Parliamentary Assembly of the Commonwealth of Independent States, the European Parliament. Rules of Procedures of PABSEC, Article 10(4).
 27. Resolutions adopted at the Seventh Meeting of the Ministers of Foreign Affairs in Bucharest, 27 April 1996, Annex IV to BS/FM/R/(96)1, points 13 and 14.
 28. Up to the end of 1996 the PABSEC had met eight times in: Istanbul on 16-18 June 1993, Kiev on 29 November-1 December 1993, Bucharest on 20-22 June 1994, Tirana on 11-13 December 1994, Moscow on 5-7 June 1995, Ankara on 27-29 November 1995, Baku on 11-13 June 1996, Tbilisi on 10-12 December 1996.
 29. Interview with Adrian Năstase, Radio Bucharest, 25 February 1993.
 30. Rules of Procedure of PABSEC, Article 16(1).
 31. As Bulgaria is not a member of PABSEC and thus does not pay in to the PABSEC budget, the quotas for the PABSEC budget are different from those for the BSEC budget.
 32. Recommendation 12/1995 on the Follow-up to the Implementation of Recommendations 1-11 adopted by the General Assembly since 1994, DOC.GA 1342/95.
 33. The distribution of shares is as follows: Greece, Russia, Turkey 16,5% each; Bulgaria, Romania, Ukraine 13,5% each; Albania, Armenia, Azerbaijan, Georgia, Moldova 2% each. If one country does not take up its maximum number of shares another Member State can take them over.
 34. Agreement Establishing the Black Sea Trade and Development Bank, Tbilisi 30 June 1994, Article 23.
 35. The President Designate of the Bank is Mr Ersoy Volkan. He is Turkish national.
 36. Agreement Establishing the Black Sea Trade and Development Bank, Article 22(1).
 37. The Directors as well as the Governors are appointed by the Member States. Unlike the Governors, the Directors are paid by the Bank. The Board of Directors is responsible for the direction of the general operations of the Bank. It prepares the work of the Governors, takes decisions concerning the business of the Bank and its operation in conformity with the general directions given by the Board of Governors.
 38. Agreement Establishing the Black Sea Trade and Development Bank, Article 31.
 39. The other two projects which are financially supported by the European Union and which are directly geared to the BSEC as a cooperation initiative are the International Centre for Black Sea Studies to be located in Athens and the Black Sea Regional Energy Center in Sofia.
 40. It seems that the European Commission is interested in establishing closer contacts with BSEC because at the end of 1996 it launched a study which aims at identifying the territorial impact of developments in the Black Sea Area region on the European Union and potential areas of common interest and mutual cooperation between the European Union and the BSEC states.
 41. For example, see Speech by Iosif Micheloyianis, Member of Parliament, PASOK, at: PABSEC, Third Plenary Session, Draft Minutes of the Spring Session of the General Assembly, Bucharest, 20-22 June 1994, Doc. GA 558/94. Statement by Constantinos Stephanopoulos, President of the Hellenic Republic, at: High Level Meeting of the Participating States of the BSEC, Bucharest, 30 June 1995. □