

Report of

The Third Japan-Black Sea Area Dialogue

on

“Prospects of Changing Black Sea Area and Role of Japan”

January 26-27, 2010

Tokyo, Japan

Co-Sponsored by

The Global Forum of Japan (GFJ)

Organization of the Black Sea Economic Cooperation (BSEC)

Supported by

The Tokyo Club

The Japan Foundation

Under the Auspices of

The Ministry of Foreign Affairs of Japan

Embassy of the Republic of Turkey in Japan

Embassy of the Republic of Bulgaria in Japan

Wider Europe Research Center (WERC), University of Shizuoka

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I Preface

The Global Forum of Japan (GFJ) aims to promote a policy-oriented exchange of views between business, opinion and political leaders of Japan and their counterparts in the rest of the world, and to contribute to the deepening of mutual understanding and the formation of the consensus. For this purpose, GFJ has been actively engaged for the past 28 years in organizing policy-oriented bilateral and/or multilateral “Dialogues” every year between Japan and the international community.

It is for this reason that GFJ held the Japan-Black Sea Area Dialogue, “Prospects of Changing Black Sea Area and Role of Japan,” in Tokyo on 26-27 January 2010. This report intends to summarize the achievements of these discussions between Japanese and Black Sea Area counterparts. Though the printed version of the report will be made available to only a restricted number of people such as members and friends of GFJ and their counterparts from Black Sea Area, the full text of the report will be available at <http://www.gfj.jp/>.

The Japan-Black Sea Area Dialogue “Prospects of Changing Black Sea Area and Role of Japan” was supported by the Tokyo Club and the Japan Foundation, co-sponsored by Organization of the Black Sea Economic Cooperation (BSEC), and organized under the auspices of the Ministry of Foreign Affairs of Japan, Embassy of the Republic of Turkey in Japan, Embassy of the Republic of Bulgaria in Japan and Wider Europe Research Center (WERC) of the University of Shizuoka.

It was attended by 115 participants including 27 panelists such as Amb. Leonidas CHRYSANTHOPOULUS, Secretary General of BSEC, Prof. Ioan Mircea PASCU, Member of the European Parliament, Mr. TANIZAKI Yasuaki, Director-General, European Affairs Bureau, Ministry of Foreign Affairs of Japan and Prof. MUTSUSHIKA Shigeo, Professor of the University of Shizuoka. Participants exchanged opinions on matters of significant importance related to the future of Japan-Black Sea Area relations.

March 3, 2010

ITO Kenichi
President
The Global Forum of Japan

II Executive Summary

1. Overview

The Global Forum of Japan (GFJ) and Organization of Black Sea Economic Cooperation (BSEC), under the auspices of the Ministry of Foreign Affairs of Japan, Embassy of the Republic of Turkey in Japan, Embassy of the Republic of Bulgaria in Japan, and Wider Europe Research Center (WERC) of University of Shizuoka, co-sponsored the 3rd Japan-Black Sea Area Dialogue on the theme of "Prospects of Changing Black Sea Area and Role of Japan" on January 26-27, 2010 in Tokyo. This "Dialogue" is the 3rd in a series, the 1st "Dialogue" in 2005 and the 2nd in 2007, which had 115 participants in total, including 13 from the Black Sea Area. Lively exchange of views was held among all participants throughout its programs, from Welcome Reception hosted by NISHIMURA Chinami, Parliamentary Vice-Minister for Foreign Affairs, on January 26, to all the sessions (I, II, III) followed by Farewell Dinner hosted by Selim Sermet ATACANLI, Ambassador of the Republic of Turkey to Japan, on January 27.



It is worthy of note that the participants from both sides underlined the importance of the "Dialogue" as the only channel of communication between Japan and the Black Sea Area either on public or private level. In 2005, with foresight to recognize the strategic importance of the Black Sea Area, we held the 1st "Dialogue," which set a precedent for the cooperative framework with the then unfamiliar "Black Sea Area" and received unexpected positive public response. Encouraged by this fact, amid the growing interest in the region among those from various fields in Japan, we held the 2nd "Dialogue" in 2007, in which enlargement of areas of cooperation including infrastructure development, economic aid, and technical assistance, etc., was discussed.

And, we can say that this 3rd "Dialogue" should be described as embodiment of trust between Japan and the Black Sea Area, which has been steadily fostered through the two "Dialogues" in the past. For, compared to the two "Dialogues," which was somewhat characterized by politeness and reserves, this 3rd "Dialogue" witnessed a growing frankness in the exchange of views among the participants from both of the two sides. For instance, in the "Dialogue," the participants not only acknowledged the prioritized areas of cooperation between Japan and the Black Sea Area but also identified the challenges and hurdles to be overcome for further deepening the cooperative ties between Japan and the Black Sea Area in a fairly realistic manner. Such frank exchange of views should also be counted among the beauties of this "Dialogue." Besides, this 3rd "Dialogue" was, for the first time, attended by the high-ranking officials of all the embassies of BSEC member states which have an embassy in Tokyo.

Assuming a role as mediator between BSEC and Europe, this "Dialogue" could contribute to enhancing Japan's presence as a global player in the international community as well as reinforcing the ties between Japan and Europe and Middle East in an indirect manner. Encouraged by those requests which we have already received after the 3rd "Dialogue" from participants not only of Japan but of the Black Sea Area that this "Dialogue" should be continued, it is our sincere hope that we, making the most of the network established over the past 6 years, will further contribute to enhancing Japan-Black Sea Area cooperation by holding the "Dialogues" on a regular basis.

2. Outline of Discussions

Session I: Strategic Implication of Security in the Black Sea Area

In Session I, on the theme of “Strategic Implication of Security in the Black Sea Area” Ambassador Mithat RENDE, Director General, Economic Affairs, Ministry of Foreign Affairs of Turkey gave the first keynote speech, in which he stated that “In the Black Sea region, there are retained tensions called the “Frozen Conflicts” which could easily turn to hot wars. In order to secure stability in this region, it is necessary to establish a platform for dialogue among the countries in the region as a means to reduce mistrust and create trustful relations among themselves. In this regard, BSEC, though now intended as the framework for economic cooperation, assumes a heavy responsibility as a coordinator of the interests among the member states.”

Following that, Dr. MUTSUSHIKA Shigeo, Professor of University of Shizuoka, stated in the second keynote speech, “In the Black Sea region, two confrontational powers countervail. One is the “revisionist” power of expanding EU and NATO eastward, thereby making this region an “open region,” and the other is “status quo” power of maintaining the current balance of power in this region, thereby keeping this region as “closed” as possible. In order for BSEC and the EU's “Black Sea Synergy Initiative” to function well in the future, it is crucial that this countervailing power struggle be overcome and this region be situated as part of “Wider Europe.”

Session II: Challenges for the Economic Development and Energy and Environmental Cooperation in the Black Sea Area

In Session II, on the theme of “Challenges for the Economic Development and Energy and Environmental Cooperation in the Black Sea Area,” Mykola KULINICH, Ambassador of Ukraine to Japan gave the first keynote speech, in which he stated that “Success of integration of the Black Sea Area depends upon how the intra-regional trade, finance, and energy cooperation should advance. While disparities in economic development and underground resources hinder the integration process in the region, this region has a great potential for development if we turn to its populations, natural resources, and industrial infrastructures.”

After that, Mr. MOTOMURA Masumi, Chief Researcher, Japan Oil, Gas and Metals National Corporation, presented the second keynote speech, mentioning that “As there are several gas pipeline construction projects in this region, severe

negotiations are taking place among the gas importing countries, exporting countries and transit countries over the potential courses of the pipelines. Though tough negotiations are concomitant to business, it is necessary to prevent those clashes of interest from turning to political conflicts. The point is that construction of the pipelines should contribute to the development of entire Black Sea Area."

Session III: Future perspective of Japan-Black Sea Area Cooperation

In session III, on the theme of "Future perspective of Japan-Black Sea Area Cooperation," Dr. HASUMI Yu, Professor at Rissho University, stated the keynote speech that "EU has of late strengthened its involvement in the Black Sea area and been promoting economic and human exchanges and fostering liberalism and democracy through several channels, so that this area should evolve to a governance model based on "open multilateralism." By way of its "Value Oriented Diplomacy," Japan should share with EU the philosophy of cooperation with the Black Sea Area."

Following that, Ambassador Ivan PETKOV, Special Envoy, Representative of the Bulgarian BSEC Chairmanship-in-Office, said in his keynote speech, "With the accession of Bulgaria and Romania to the EU, the geopolitical situation of the Black Sea area has drastically changed. BSEC and EU will likely to intensify their cooperative system for the economic development of the region. As U.S. has already gained Observer status of BSEC, it has increasingly become involved in this region especially in the field of energy. It is expected that Japan should also become Observer of BSEC and enhance cooperation with the Black Sea area in many fields."

III Programs of The Third Japan-Black Sea Area Dialogue

1. Program

<p align="center"> 第3回「日・黒海地域対話」 The THIRD JAPAN-BLACK SEA AREA DIALOGUE 「変化する黒海地域の展望と日本の役割」 Prospects of Changing Black Sea Area and Role of Japan </p> <p align="center"> 2010年1月26-27日 / January 26-27, 2010 International House of Japan / 国際文化会館 東京、日本 / Tokyo, Japan 助成 / Supported by 東京倶楽部 / The Tokyo Club 国際交流基金 / The Japan Foundation 共催 / Co-Sponsored by グローバル・フォーラム / The Global Forum of Japan (GFJ) 黒海経済協力機構 / Organization of the Black Sea Economic Cooperation (BSEC) 後援 / Under the Auspices of 日本国外務省 / The Ministry of Foreign Affairs of Japan 駐日トルコ大使館 / Embassy of the Republic of Turkey in Japan 駐日ブルガリア大使館 / Embassy of the Republic of Bulgaria in Japan 静岡県立大学広域ヨーロッパ研究センター / Wider Europe Research Center (WERC), University of Shizuoka </p>

2010年1月26日（火）/ Tuesday, 26 January, 2010

外務大臣政務官主催レセプション *特別招待客のみ / **Welcome Reception hosted by Parliamentary Vice-Minister for Foreign Affairs of Japan** *Invitation Only

17:30-19:30

西村智奈美 日本国外務大臣政務官主催開幕レセプション

Welcome Reception hosted by NISHIMURA Chinami, Parliamentary Vice-Minister for Foreign Affairs of Japan

2010年1月27日（水）/ Wednesday, 27 January, 2010

"Lecture Hall," International House of Japan / 国際文化会館「講堂」

オープニングセッション / Opening Session

9:30-10:00	
開会挨拶（5分間） Opening Remarks (5min.)	伊藤憲一 グローバル・フォーラム執行世話人 ITO Kenichi, President, The Global Forum of Japan
開会挨拶（5分間） Opening Remarks (5min.)	レオニダス・フリサンソプロス BSEC事務総長 Leonidas CHRYSANTHOPOULOS, Secretary General, BSEC
開会挨拶（5分間） Opening Remarks (5min.)	イヴァン・ペトコフ ブルガリアBSEC議長国代表特使（BSEC議長国） Ivan PETKOV, Special Envoy, Representative of the Bulgarian BSEC Chairmanship-in-Office (on behalf of the Chairmanship of BSEC)
開会挨拶（15分間） Opening Remarks (15min.)	谷崎泰明 外務省欧州局長 TANIZAKI Yasuaki, Director-General, European Affairs Bureau, Ministry of Foreign Affairs of Japan
本会議 I / Session I	
10:00-11:50	「黒海地域における安全保障の戦略的意味」 "Strategic Implications of Security in the Black Sea Area"
共同議長（5分間） Co-Chairpersons (5min.)	大河原良雄 グローバル・フォーラム代表世話人 OKAWARA Yoshio, Chairman, The Global Forum of Japan レオニダス・フリサンソプロス BSEC事務総長 Leonidas CHRYSANTHOPOULOS, Secretary General, BSEC
基調報告（15分間） Keynote Speaker (15min.)	ミシャト・レンデ トルコ外務省経済局長（トルコ） Mithat RENDE, Director General, Economic Affairs, Ministry of Foreign Affairs of Turkey (Turkey)
基調報告（15分間） Keynote Speaker (15min.)	六鹿茂夫 静岡県立大学教授 MUTSUSHIKA Shigeo, Professor, University of Shizuoka
コメントA（5分間） Lead Discussant A (5min.)	アウレリアン ネアグ 駐日ルーマニア大使（ルーマニア） Aurelian NEAGU, Ambassador of Romania to Japan (Romania)
コメントB（5分間） Lead Discussant B (5min.)	内藤泰朗 産経エクスプレス副編集長（前産経新聞社モスクワ支局長） NAITO Yasuo, Deputy Director, "Sankei Express" (former Moscow Bureau Chief, The Sankei Shimbun)
コメントC（5分間） Lead Discussant C (5min.)	ステファン・フーバー 駐日欧州連合代表部副代表（欧州委員会） Stefan HUBER, Deputy Head of Delegation, European Commission
コメントD（5分間） Lead Discussant D (5min.)	斎藤元秀 杏林大学教授 SAITO Motohide, Professor, Kyorin University
自由討議（45分間） Free Discussions (45min.)	出席者全員 All Participants
議長総括（10分間） Summarization by Co-Chairpersons (10min.)	大河原良雄 グローバル・フォーラム代表世話人 OKAWARA Yoshio, Chairman, The Global Forum of Japan レオニダス・フリサンソプロス BSEC事務総長 Leonidas CHRYSANTHOPOULOS, Secretary General, BSEC

昼食 / Lunch	
11:50-13:00	Lunch Break / 昼食休憩 (会議場外で各自でお取り下さい)
本会議Ⅱ / Session II	
13:00-14:55	「黒海地域の経済発展とエネルギー・環境協力に向けた課題」 "Challenges for Economic Development and Energy and Environmental Cooperation in the Black Sea Area"
共同議長(5分間) Co-Chairpersons (5min.)	東郷和彦 京都産業大学教授 TOGO Kazuhiko, Professor, Kyoto Sangyo University アルタイ・エフェンディエフ アゼルバイジャン外務省経済協力開発局長 (アゼルバイジャン) Altai EFENDIEV, Head of Economic Cooperation and Development Department, Ministry of Foreign Affairs of Azerbaijan (Azerbaijan)
基調報告(15分間) Keynote Speaker (15min.)	ミコラ・クリニチ 駐日ウクライナ大使 (ウクライナ) Mykola KULINICH, Ambassador of Ukraine to Japan (Ukraine)
基調報告(15分間) Keynote Speaker (15min.)	本村真澄 石油天然ガス・金属鉱物資源機構調査グループ主席研究員 MOTOMURA Masumi, Chief Researcher, Japan Oil, Gas and Metals National Corporation
コメントA(5分間) Lead Discussant A (5min.)	廣野 良吉 成蹊大学名誉教授 HIRONO Ryokichi, Professor Emeritus, Seikei University
コメントB(5分間) Lead Discussant B (5min.)	イバン・ムルキッチ 駐日セルビア大使 (セルビア) Ivan MRKIC, Ambassador of the Republic of Serbia to Japan (Serbia)
コメントC(5分間) Lead Discussant C (5min.)	石郷岡建 日本大学総合科学研究所教授 ISHIGOOKA Ken, Professor, Nihon University
コメントD(5分間) Lead Discussant D (5min.)	レバズ・ベシッゼ 駐日グルジア大使 (グルジア) Revaz BESHIDZE, Ambassador of Georgia to Japan (Georgia)
自由討議(45分間) Free Discussions (45min.)	出席者全員 All Participants
議長総括(10分間) Summarization by Co-chairpersons (10min.)	東郷和彦 京都産業大学教授 TOGO Kazuhiko, Professor, Kyoto Sangyo University アルタイ・エフェンディエフ アゼルバイジャン外務省経済協力開発局長 (アゼルバイジャン) Altai EFENDIEV, Head of Economic Cooperation and Development Department, Ministry of Foreign Affairs of Azerbaijan (Azerbaijan)
14:55-15:05	休憩/Break
本会議Ⅲ / Session III	
15:05-17:00	「日・黒海地域協力の今後の展望」 "Future Perspective of Japan-Black Sea Area Cooperation"
共同議長(5分間) Co-Chairpersons (5min.)	村上正泰 グローバル・フォーラム常任世話人代行 MURAKAMI Masayasu, Acting Executive Governor, The Global Forum of Japan ニコラオス・ツアマドス 駐日ギリシャ大使 (ギリシャ) Nikolaos TSAMADOS, Ambassador of Greece to Japan (Greece)
基調報告(15分間) Keynote Speaker (15min.)	蓮見雄 立正大学教授 HASUMI Yu, Professor, Ritssho University
基調報告(15分間) Keynote Speaker (15min.)	イヴァン・ペトコフ ブルガリアBSEC議長国代表特使 (ブルガリア) Ivan PETKOV, Special Envoy, Representative of the Bulgarian BSEC Chairmanship-in-Office (Bulgaria)
コメントA(5分間) Lead Discussant A (5min.)	ユアン・ミルチャ・パシュク 欧州議会議員・同外交副委員長 Ioan Mircea PASCU, Member of the European Parliament (EP), Vice-Chair of the Foreign Affairs Committee of EP
コメントB(5分間) Lead Discussant B (5min.)	海部篤 外務省欧州局中・東欧課長 KAIFU Atsushi, Director, Central and South Eastern Europe Division, European Affairs Bureau, Ministry of Foreign Affairs
コメントC(5分間) Lead Discussant C (5min.)	セルゲイ・ゴンチャレンコ ロシア連邦外務省経済協力局次長 (ロシア) Sergei GONCHARENKO, Deputy Director, Department of Economic Cooperation, Ministry of Foreign Affairs of the Russian Federation (Russia)
コメントD(5分間) Lead Discussant D (5min.)	廣瀬陽子 静岡県立大学准教授 HIROSE Yokko, Associate Professor, University of Shizuoka
コメントE(5分間) Lead Discussant E (5min.)	ブヤール・ディダ 駐日アルバニア共和国大使 (アルバニア) Bujar DIDA, Ambassador of the Republic of Albania to Japan (Albania)
自由討議(45分間) Free Discussions (45min.)	出席者全員 All Participants
議長総括(10分間) Summarization by Co-chairpersons (10min.)	村上正泰 グローバル・フォーラム常任世話人代行 MURAKAMI Masayasu, Acting Executive Governor, The Global Forum of Japan ニコラオス・ツアマドス 駐日ギリシャ大使 (ギリシャ) Nikolaos TSAMADOS, Ambassador of Greece to Japan (Greece)
閉幕夕食会 * 特別招待者のみ / Farewell Dinner * Invitation Only	
18:00-20:00	セリム・セルメット・アタジャンル駐日トルコ大使主催閉幕夕食会 Farewell Dinner hosted by Selim Sermet ATACANLI, Ambassador of the Republic of Turkey to Japan

2. Participants List

【Black Sea Area Panelists】

Leonidas CHRYSANTHOPOULOS	Secretary General, Organization of the Black Sea Economic Cooperation (BSEC)
Ivan PETKOV	Special Envoy, Representative of the Bulgarian BSEC chairmanship-in-Office(on behalf of the Chairmanship of BSEC)
Mithat RENDE	Director General, Economic Affairs, Ministry of Foreign Affairs of Turkey (Turkey)
Aurelian NEAGU	Ambassador of Romania to Japan (Romania)
Stefan HUBER	Deputy Head of Delegation of the European Union to Japan
Altai EFENDIEV	Head of Economic Cooperation and Development Department, Ministry of Foreign Affairs of Azerbaijan (Azerbaijan)
Mykola KULINICH	Ambassador of Ukraine to Japan (Ukraine)
Ivan MRKIC	Ambassador of Serbia to Japan (Serbia)
Revaz BESHIDZE	Ambassador of Georgia to Japan (Georgia)
Nikolaos TSAMADOS	Ambassador of Greece to Japan (Greece)
Ioan Mircea PASCU	Member of the European Parliament (EP), Vice-Chair of the Foreign Affairs Committee of EP
Sergei GONCHARENKO	Deputy Director, Department of Economic Cooperation, Ministry of Foreign Affairs of the Russia
Bujar DIDA	Ambassador of Albania to Japan (Albania)

【JAPANESE Panelists】

ITO Kenichi	President, The Global Forum of Japan (GFJ)
TANIZAKI Yasuaki	Director-General, European Affairs Bureau, Ministry of Foreign Affairs of Japan
OKAWARA Yoshio	Chairman, GFJ
MUTSUSHIKA Shigeo	Professor, University of Shizuoka
NAITO Yasuo	Deputy Director, "Sankei Express" (former Moscow Bureau Chief, The Sankei Shimbun)
SAITO Motohide	Professor, Kyorin University
TOGO Kazuhiko	Professor, Kyoto Sangyo University
MURAKAMI Masayasu	Acting Executive Governor, GFJ
MOTOMURA Masumi	Chief Researcher, Japan Oil, Gas and Metals National Corporation
HIRONO Ryokichi	Professor Emeritus, Seikei University
ISHIGOOKA Ken	Professor, Nihon University
HASUMI Yu	Professor, Rissho University
KAIFU Atsushi	Director, Central and South Eastern Europe Division, European Affairs Bureau, Ministry of Foreign Affairs of Japan
HIROSE Yoko	Associate Professor, University of Shizuoka

(In order of appearance)

【Participants】

ADACHI Junichi	Deputy General Manager, Mitsubishi Cooperation
Dominic AL-BADRI	Political Analyst, Political & Economic Section, Delegation of the European Union to Japan
Rania ALHAJ ALI	Chargé d'Affaires a.i, Embassy of Syria in Japan
Victor ARKHIPOV	President, Russian National Committee for the Organization of the Black Sea Economic Cooperation
Selim Sermet ATACANLI	Ambassador of Turkey to Japan
Polina AVDEEVA	Expert, General Secretariat (Department), Ministry of Foreign Affairs of the Russia
Reza BOORAGHI	First Secretary, Embassy of Iran in Japan
CHIHARA Nobuyoshi	Deputy Director-General, Middle Eastern and African Affairs Bureau, Ministry of Foreign Affairs of Japan
FUJIWARA Hana	Japanese Studies and Intellectual Exchange Department, The Japan Foundation
Gül DEMİR	Istanbul Representation, The Turkish Daily News
FUJIMAKI Hiroyuki	Lecturer, International Education Center, Tokai University
Antoaneta GRIGOROVA	Attaché (Political and Press), Embassy of Bulgaria in Japan
HABA Kumiko	Professor, Aoyama Gakuin University
HAKAMADA Shigeaki	Professor, Aoyama Gakuin University
HARADA Koji	Senior Manager, Overseas Subsidiaries Management Division, Kajima corporation
HIRABAYASHI Hiroshi	Vice President, The Japan Forum on International Relations (JFIR)
HIROSE Tetsuya	Secretary-General, Central Secretariat Asian-Pacific Parliamentarians' Union
Azer Tofig Oglu HUSEYN	Ambassador of Azerbaijan to Japan
HYODO Shinji	Senior Fellow, National Institute for Defense Studies
IKEO Aiko	Professor, Waseda University
INAGAKI Fumiaki	Assistant Professor, Graduate School of Media and Governance, Keio University
ISHIKAWA Yohei	Staff Writer, The Nikkei
Snezana JANKOVIC	First Counselor, Embassy of Serbia in Japan
KANAMORI Toshiki	Graduate Student, Faculty of Law, Keio University
KAWAMURA Hiroshi	Representative, New Global America
Burak Ali KARACAN	Counsellor, Embassy of Turkey in Japan
KAWATO Akio	General Manager, Japan-World Trends
KAYA Toshihiko	The Nikkei
KINOSHITA Hiroo	Advisor, National Small Business Information Promotion Center

KITAMURA Yusuke	Correspondent, NHK Japan Broadcasting Corporation
Kirill KONSTANTINOV	Attache, Embassy of Russia in Japan
KUDO Hiroshi	First Secretary, Embassy of Japan in Romania
Thomas LOIDL	Minister, Embassy of Austria in Japan
MANO Teruhiko	former Advisor to the President, The Bank of Tokyo-Mitsubishi
MATSUI Akira	Visiting Professor, Kyorin University
MATSUMOTO Hiroshi	Senior Executive Director, The International House of Japan
MINAMINO Daisuke	Official, Central and South Eastern Europe Division, Ministry of Foreign Affairs of Japan
Rovshan MIRZAYEV	Third Secretary, Embassy of Azerbaijan in Japan
MOHRI Tadaatsu	Senior Coordinator, Fourth Division, Intelligence and Analysis Service, Ministry of Foreign Affairs of Japan
NAKAGAWA Juro	Lecturer, Nihon University Graduate School of Business
NAKANO Hisato	General Manager, Research & External Relations, Corporate Planning Division, Kikkoman
Yuliia NI	Acting Head of Trade and Economic Mission, Embassy of Ukraine in Japan
Daniela NIKOLOVA	Attache, Embassy of Bulgaria in Japan
Irina NOSOVA	Third Secretary, Embassy of Russia in Japan
ONO Masami	Editorial Writer, Asahi Shimbun
ONODERA Masachika	Chairman, Onodera & Associates
Teodora PASCU	
Ahmed Magdy RASHAD	Diplomatic Attaché, Embassy of Egypt in Japan
SAITO Hiroshi	Russia and Eurasia Division, Overseas Research Department, Japan External Trade
SAJIMA Naoko	Professor, Senshu University
SAKAMOTO Masahiro	Vice President, Japan Forum for Strategic Studies
SIMIZU Yoshikazu	Supreme Adviser, KAMAKURA GAYUKAI
Nikita SMIRNOV	Vice-Counsel, Embassy of Russia in Japan
SUGIUCHI Naotoshi	former Ambassador to Romania
TAKAHASHI Mahiro	Cabinet Official, Cabinet Office
TANAKA Daisuke	Official, Central and South Eastern Europe Division, Ministry of Foreign Affairs of Japan
Tatiana SEDLETSKAYA	Head of Division, Department of Currency and Finance, Ministry of Foreign Affairs of the Russia
SHIBUTANI Yu	Research Fellow, Waseda University
Vera STEFANOVA	Minister Plenipotentiary, Deputy Head of Mission, Embassy of Bulgaria in Japan
SUGIO Naoya	Staff Writer, Foreign News Department, The Mainichi Shimbun
TAJIMA Takashi	Visiting Professor, Akita International University
TAKENAKA Akihiro	Correspondent, NHK International News Department
Diana THIHAN	Third Secretary, the Embassy of Romania in Japan
Lubomir TODOROV	Ambassador of Bulgaria to Japan
TRANG Ho Thu	Trainee, Embassy of Germany in Japan
TSUMORI Shigeru	Visiting Professor, Toin University of Yokohama
UDOVIK Violetta	Research Student, Graduate Schools for Law and Politics, University of Tokyo
UEMURA Susumu	Professor Emeritus, Kyoto Sangyo University
UENO Kazushi	Ground Staff Office, Ministry of Defense
WATANABE Mayu	Opinion Leader Governors, GFJ
YAMAGISHI Aoi	Official, Central and South Eastern Europe Division, Ministry of Foreign Affairs of Japan
YAMAGUCHI Maki	Officer, Ministry of Foreign Affairs of Japan
YAMAMOTO Manabu	President, Marketing Consultant
YASUDA Yukiko	Official, Central and South Eastern Europe Division, Ministry of Foreign Affairs of Japan
YASUOKA Takaaki	Honorary Member, Institute for the Study of Social Justice, Sophia University
YOSHIDA Shingo	Staff-Member, Japan Association for Trade with Russia & NIS (ROTOBO)
YOVKOVA SHII Eleonora	Lecturer, Kanda University of International studies
Dmitry ZARVO	Assistant Defense Attache, Embassy of Russia in Japan

(In Alphabetical Order)

【Secretariat】	
YANO Takuya	Executive Secretary, GFJ
NAKAMURA Yumi	Officer in Charge, GFJ
KIKUCHI Yona	Officer in Charge, GFJ
TAKAHATA Yohei	Secretarial Staff, GFJ
SUZUKI Izumi	Secretarial Staff, GFJ
KUSHIDA Ena	Secretarial Assistant, GFJ
ITO Fumiharu	Secretarial Assistant, GFJ
INOUE Syouhei	Secretarial Assistant, GFJ
MIZUTANI Toshihiko	Secretarial Assistant, GFJ
WATANABE Ikumi	Secretarial Assistant, GFJ

3. Biographies of the Panelists

【Black Sea Area Panelists】

Leonidas CHRYSANTHOPOULOS

Secretary General, BSEC

Graduated from the Law School of the University of Athens. Joined the Greek Foreign Ministry in 1972. Served as Director of the Diplomatic Cabinet of the Minister in charge of EEC Affairs, Deputy Permanent Representative of Greece to the United Nations, Minister Counsellor in Beijing, Ambassador of Greece in Yerevan, in Warsaw and in Ottawa, Director General for EU Affairs, and Director General for Bilateral Economic Relations and Multilateral Economic Cooperation before assuming the current post in 2006.

Ivan PETKOV

*Special Envoy, Representative of the Bulgarian BSEC
Chairmanship-in-Office (Bulgaria)*

Graduated from the Moscow State University of International Relations. Entered the Bulgarian Foreign Ministry in 1979. Served as Ambassador of Bulgaria in Iran (1992), Pakistan (1995), Deputy Minister of Foreign Affairs in 2001, Responsible for the Bulgarian Chairmanship-in-Office of the Organization for Security and Co-operation in Europe (OSCE) in 2004, Permanent Representative of Bulgaria to the Council of Europe in 2005, Ambassador at large on the Black Sea before assuming the current post in 2009.

Mithat RENDE

*Director General, Economic Affairs,
Ministry of Foreign Affairs of Turkey (Turkey)*

Graduated from Faculty of Political Sciences in Ankara University. Completed the Post Graduate Program of the Royal College of Defence Studies London on Security and International Relations in 2000. Served as Counsellor at the Turkish Embassy in London and Deputy Permanent Representative of Turkey to the International Maritime Organisation (IMO) from 1996-2000. Ambassador of Turkey to the State of Qatar before assuming the current post.

Aurelian NEAGU

Ambassador of Romania to Japan (Romania)

Graduated Academy for Economic Studies in Bucharest in 1983. Entered the Ministry of Foreign Affairs. Served various positions including Economist of National Tourism Office Carpati, Counsellor of the Vice-Minister of Foreign Affairs of Romania, Counsellor at the Embassy of Romania in Seoul and Asia, Africa and Middle East Division. Ambassador of Romania to Singapore.

Stefan HUBER

Deputy Head of Delegation, European Commission

Received M.A. in Law and Political Science from the University of Innsbruck, Austria. Entered Austrian Federal Economic Chamber in 1990. Served as Deputy Head of the Austrian Trade Commission. Entered European Commission Headquarters, Brussels in 1997. Served as Principal Administrator in Directorate General External Relations (Trade). Nominated as Head of Unit "Social Dialogue" in Directorate General Personnel and Administration in 2002, and Head of Unit "Rights and obligations" in Directorate General External Relations in 2003.

Altay EFENDIEV

*Head of Economic Cooperation and Development Department
Ministry of Foreign Affairs of Azerbaijan (Azerbaijan)*

Received M.S. from Kiev State University, Ukraine. Joined the Azerbaijan Foreign Ministry in 1992. Served as Economic Counsellor at the Embassy of Azerbaijan in United Kingdom, Head of Economic Cooperation and Development Department in 2000, Economic Adviser to the Minister of Foreign Affairs in 2000, Deputy Secretary General of the Permanent International Secretariat of the Organization of the Black Sea Economic Cooperation in 2004.

Mykola KULINICH**Ambassador of Ukraine to Japan (Ukraine)**

Received Ph.D. in History of International Relations from Kyiv State University in 1982. Served as Associate Professor at Kyiv University, First Deputy Director at Institute of International Relations of Kyiv State University, Minister Counsellor at Embassy of Ukraine in Tokyo, Deputy Director of 5th Territorial Directorate (Asia-Pacific, Middle East and Africa) at Ministry of Foreign Affairs of Ukraine, Minister Counsellor at Embassy of Ukraine in Seoul, and Rector at Diplomatic Academy of Ukraine.

Ivan MRKIC**Ambassador of the Republic of Serbia to Japan (Serbia)**

Graduated from the Law Faculty of the University of Belgrade. Employed in the Federal Secretariat of Foreign Affairs in 1978. Served as Minister Counsellor with the Mission of Yugoslavia to the European Community in Brussels, Chief of the Cabinet of the President of the Federal Republic of Yugoslavia, Ambassador to Cyprus, Assistant to the Minister of Foreign Affairs and Chief of Bilateral Relations, President of the National Commission of Serbia and Montenegro for the Implementation of the Chemical weapons Convention.

Revaz BESHIDZE**Ambassador of Georgia to Japan (Georgia)**

Received Ph.D. in Geography from Tbilisi State University in 1990. Entered the Georgian Ministry of Foreign Affairs in 1996. Held various positions, including Head of Military Cooperation Division Department for Politico-Military Affairs, Director of the Department for Politico-Military Affairs, Director of the Department for Security Policy and Euro-Atlantic Integration, Head of Mission of Georgia to NATO before assuming the current post in 2009.

Nikolaos TSAMADOS**Ambassador of Greece to Japan (Greece)**

Received Ph.D. from the Freie Universität Berlin. Entered the Greek Ministry of Foreign Affairs in 1982. Held various positions, including Deputy and acting General Director for Development Cooperation, Deputy Permanent Representative at the Council of Europe in Strasbourg, France, and Director of A5 Directorate for Russia and other C.I.S. countries, before assuming the current post in 2009.

Ioan Mircea PASCU**Member of the European Parliament (EP),****Vice-Chair of Foreign Affairs Committee of EP**

Received Ph.D. in Political Science from the Institute of Political Sciences, Bucharest in 1980. Served as various posts including Presidential Counselor (1990-92), Visiting Senior Research Fellow at the Japan Forum on International Relations (1992-1993), State Secretary in Defense Ministry (1993-96), Chairman of the Defense Committee in The Chamber of Deputies (1996-2000), Minister of National Defense of Romania (2000-2004), Member, Vice-Chair of the Foreign Affairs Ctee since 2007.

Sergei GONCHARENKO**Deputy Director, Department of Economic Cooperation,
Ministry of Foreign Affairs of the Russian Federation (Russia)**

Entered the Ministry of Foreign Affairs and served various positions. Also, served as Chairman of the Committee of Senior Officials of the Organization of the Black Sea Economic Cooperation in 2001 and in 2006, Chairman of the Working Group on Economic Cooperation at the Barents/Euro-Arctic Council in 2000-2001 and in 2006-2009, and Chairman of the Working Group on Economic Cooperation at the Council of the Baltic Sea States in 2001-2002.

Bujar DIDA**Ambassador of the Republic of Albania to Japan (Albania)**

Received Ph.D. in Philosophy from University of Tirana in 1994. Appointed Honorary Consul General of Japan in Albania (Term I in 2000, Term II in 2006). Head of Department of Teaching and Career, University "Marin Barleti", Tirana, Albania in 2006. Professor of General and Inorganic Chemistry, Polytechnic University of Tirana, Albania.

(In order of appearance)

【Japanese Panelists】

ITO Kenichi

President, Global Forum of Japan (GFJ)

Graduated from Hitotsubashi University. Entered Ministry of Foreign Affairs in 1960. Studied at Harvard University (1961-1963). Served as various positions including Director of First Southeast Asian Division until 1977. Served as Professor at Aoyama Gakuin University (1984-2006). Concurrently serves as President of The Japan Forum on International Relations, President of The Council on East Asian Community, and Professor Emeritus of Aoyama Gakuin University.

TANIZAKI Yasuaki

*Director-General, European Affairs Bureau,
Ministry of Foreign Affairs of Japan*

Graduated from the University of Tokyo. Entered the Ministry of Foreign Affairs in 1975. Held various positions, including First Secretary at the Embassy of Japan in the Union of Soviet Socialist Republics, Director of First West Europe Division of European and Oceanian Affairs Bureau, Minister at the Embassy of Japan in Germany, Deputy Director-General of European Affairs Bureau, and Director-General of Consular Affairs Bureau.

OKAWARA Yoshio

Chairman, GFJ

Graduated from the University of Tokyo. Entered the Ministry of Foreign Affairs in 1942. Served various positions including Director-General of the American Affairs Bureau, Deputy Vice Minister for Administration, Japanese Ambassador to Australia and Japanese Ambassador to the United States (1980-1985). Concurrently serving as Special Adviser of Institute for International Policy Studies and President of America-Japan Society, Inc.

MUTSUSHIKA Shigeo

Professor, University of Shizuoka

Graduated from Sophia University in 1976. Received M.A. in International Relations from Sophia University in 1978 and Ph.D. in Law from University of Bucharest in 1985. Served as Professor at Saitama Women's Junior College, Visiting Fellow at the European Institute of the London School of Economics and Political Science, and Dean of the Faculty of International Relations and a Presidential Aid at University of Shizuoka.

NAITO Yasuo

*Deputy Director, "Sankei Express"
(former Moscow Bureau Chief, The Sankei Shimbun)*

Graduated from Aoyama Gakuin University. Entered The Sankei Shimbun in 1989. Se Phnom Penh Bureau Chief in 1993, and Moscow Bureau Chief from 2003-2008. Won the Prize of "Golden Word" in 2005 by Russia's non-governmental media organization "Media Soyuz" for series of historical articles "One hundred years after the Russo-Japan War". Also served as a Fulbright Visiting Scholar at the Institute of Russian and Eurasian Studies (IRES), and George Washington University (GWU) from 2001-2002.

SAITO Motohide

Professor, Kyorin University

Completed the doctoral course at Keio University in 1977. Received Ph.D. in International Relations from Columbia University in 1986. Visiting Professor of the Slavic Research Center at Hokkaido University from 2004-2006.

TOGO Kazuhiko

Professor, Kyoto Sangyo University

Graduated from the University of Tokyo. Entered the Ministry of Foreign Affairs in 1968. Held various positions on the Soviet Union / Russian Federation until 2002. Ambassador to the Netherlands from 2001-2002. After retirement from MOFA, taught at the Universities of Leiden, Princeton, Seoul National and others. Received PhD. from Leiden University in 2009.

MURAKAMI Masayasu*Acting Executive Governor, GFI*

Graduated from the University of Tokyo. Entered the Ministry of Finance in 1997. Studied at University of California, San Diego. Served as Vice Consul of the Japanese Consulate-General in New York, Deputy Director for Research Division of International Bureau at Ministry of Finance, Deputy Director for Cabinet Secretariat. Concurrently serving as Acting Executive Director of JFIR and Acting Vice President of CEAC.

MOTOMURA Masumi*Chief Researcher, Japan Oil, Gas and Metals National Corporation*

Received M.A. from the University of Tokyo. Entered Japan National Oil Corporation (JNOC) in 1977. Served as Director of Russia and Caspian Division in First Planning Department and the Chief Researcher of Research and Planning Department at JNOC. Also served as Visiting Researcher at the Oxford Institute of Energy Studies in 2001 and Visiting Professor of the Slavic Research Center at Hokkaido University in 2005.

HIRONO Ryokichi*Professor Emeritus, Seikei University*

Graduated from Morehouse College in 1954, and received M.A. in Economics from Chicago University in 1958. Served as Visiting Professor at National Graduate Institute for Policy Studies and Professor at Teikyo University. Concurrently serving as Director of the Japan Committee for UNICEF and Senior Program Advisor of United Nations University.

ISHIGOOKA Ken*Professor, Nihon University*

Graduated from Moscow State University (Faculty of Physics, Astronomy) in 1974. Entered Mainichi Shimbun in 1974. Served as Correspondent in Cairo, Harare, Wien, Moscow and from 2002-2006 as Editorial Writer of Mainichi Shimbun. Also served at Nihon University (Faculty of International Relations) from 2003, Concurrently serving as Professor of Advanced Research Center of Nihon University.

HASUMI Yu*Professor, Rissho University*

Received M.A. in Area Studies from Tokyo University of Foreign Studies in 1988. Served as Economist at Institute for Russian & NIS Economic Studies, Japan Association for Trade with Russia & NIS, Associate Researcher at Keio Jean Monnet Centre for EU Studies, Vice-chief Editor at Monthly Journal 'Russian-Eurasian Economy', Director at the European Union Studies Association-Japan, Chief of Secretariat at Institute of Eurasian Studies.

KAIFU Atsushi*Director, Central and South Eastern Europe Division,
European Affairs Bureau, Ministry of Foreign Affairs of Japan*

Graduated from Hitotsubashi University. Entered the Ministry of Foreign Affairs in 1988. Held various positions, including First Secretary at the Embassy of Japan in the Federal Republic of Germany, Principal Deputy Director at the Overseas Establishments Division, Senior Foreign Policy Coordinator at the Policy Coordination Division of Foreign Policy Bureau.

HIROSE Yoko*Associate Professor, University of Shizuoka*

Received M.A. in Law from the University of Tokyo in 1997, and Ph.D. in Media and Governance from Keio University in 2006. Served as Assistant Professor at Keio University, Special Researcher at Nagoya University, Associate Professor at Tokyo University of Foreign Studies. Concurrently serving as Special Researcher at Slavic Research Center of Hokkaido University.

(In order of appearance)

IV Texts of Keynote Speeches

Session I: "Strategic Implications of Security in the Black Sea Area"

Mithat RENDE
Director General, Economic Affairs,
Ministry of Foreign Affairs of Turkey

Introduction

I would like to start by expressing my most sincere thanks and appreciation to the Global Forum of Japan for organizing the "Third Japan-Black Sea Area Dialogue" and through them to all the sponsors and supporters of this important initiative. It is a great pleasure for me to be here, in the gorgeous city of Tokyo and address this distinguished audience.

Turkey and Japan, which are situated on the western and eastern banks of the Historical Silk Route, share strong bonds of friendship deep-rooted in history. For Turkey, Japan represents a successful combination of a great civilization and tradition with remarkable economic and technological achievements. This creates a solid ground for further developing and diversifying our relations based on mutual understanding and cooperation, in every field.

The recent visit of the Honourable Foreign Minister of Japan, Mr. Katsuya Okada to Ankara for the launch of the "2010 Year of Japan in Turkey" and his address at the Second Turkish Ambassadors' Conference, on 4 January 2010, are the most recent examples of these friendly relations. It was a great privilege for me as one of the Turkish Ambassadors to hear His Excellency Okada and receive first hand information about the Japanese Foreign Policy agenda. I fully agree with the "joint declaration" made by our Foreign Ministers stating that "the cooperation between the two countries is strong enough to have a positive impact on the future of the globe". In fact Turkey and Japan are, both, members of the G-20 and non-permanent members of the UN Security Council and thus share important responsibilities for the promotion of peace and prosperity in the world as a whole.

Given these excellent relations, we attach importance to furthering our cooperation with Japan, in every field, including in the Black Sea context, which is the main subject of our discussions today.

"Strategic Implications of Security in the Black Sea Area", being the title of this session, let me start by a brief introduction on the Black Sea Area and later focus on various aspects of security in the region.

Black Sea Area - General

The Black Sea is a semi-closed sea with an area of 432.000 square kilometers and 4340 kilometers long coastline. It is an important and strategic Sea having a unique position with two narrow outlets to the open seas through an inner sea; The Turkish Straits, namely the Strait of Istanbul, the Strait of Çanakkale and the Sea of Marmara. Turkey lies at the immediate southern part of the Black Sea having the longest shoreline with 2640 kilometers and exercising jurisdiction over the Turkish Straits via a sui generis regime in accordance with

Montreux Convention of 1936 which Japan is also a signatory.

For almost 70 years, this Convention has been functioning effectively. It stipulates the passage through the Turkish Straits and regulates tonnage, presence and duration of stay of war ships in the Black Sea.

In fact, the Black Sea, itself, has not been a sea of conflict during the entire period of the precarious Cold War years, mainly due to the balance carefully established by the Montreux Convention. I would like to recall that the then littoral states were the Soviet Union, Turkey, Romania and Bulgaria, namely one NATO member versus three Warsaw Pact members, one of which was the other super power.

With the end of the Cold War, the Black Sea area started experiencing a major transition. Since then, the geo-strategic portrait of the region has changed. The region has witnessed the expansion of both NATO and the European Union. Today, the integration of the Black Sea countries into the Euro-Atlantic institutions is still underway.

The Black Sea region has always been a priority for Turkish foreign policy. Turkey has been the initiator of many of the existing regional cooperation mechanisms. The Main pillars of Turkey's policy towards the region have been inclusiveness and transparency. In other words, any action in the region must rely on mutual respect, with a special emphasis on the regional countries' priorities and needs, and should not exclude anyone. These principles are deemed crucial as they are the very principles that would ensure the prevention of creating new dividing lines in the Black Sea region. Social and economic development as well as effective foundation and maintenance of democratic systems of government and society are also important elements for peace and stability in the region.

Security Implications in the Black Sea:

There have been a number of studies that have attempted to define the concept of security. However, as many authors have indicated, security is multi-dimensional in nature and diverse in practice. This diversity leads to difficulty in providing a single all encompassing definition of security.

Cognizant of this fact, our approach to security is also multi-dimensional and not limited to hard security concerns alone. Climate change, for instance, is a global problem also evolving into a security issue in its own right, with serious implications in many fields. Epidemic diseases are no longer tragedies that only threaten the less fortunate areas in the world. The current financial crisis speaks for itself when we look at how badly it affected economies worldwide. Illegal migration, organized crime, energy security, democratization also stick out as crucial topics that are bound to dominate the regional as well as global agenda.

However, maritime security in the Black Sea requires a clear distinction. The Black Sea maritime area is surrounded by 6 littoral states, namely, Turkey, Bulgaria, Romania, Russia, Ukraine and Georgia.

The Black Sea region, on the other hand, forms an integral part of the wider area comprising the Balkans, the Caucasus including the Caspian Sea and beyond, as well as the Eastern Mediterranean reaching into the Middle East. The region is at the converging point of the three major continents and it embodies strategic trade, transport and energy routes of Eurasia. Taking into consideration also is economic and human potential as well as the vast natural resources, the Black Sea Area, undoubtedly, is very important in terms of global security.

The challenges faced in the maritime area on one hand and the wider Black Sea area on the other, are different in nature and scale. The maritime area is relatively immune from

immediate risks, and the littoral states have been able to develop efficient means to deter those that may arise in the future. The wider region, instead, involves a number of hot and frozen conflicts such as Nagorno Karabagh, Abkhazia, South Ossetia and Trans-Dniestria, energy security issues, and other broader challenges which I mentioned earlier.

The two dimensions of the Black Sea, therefore, do not involve the same actors either. While the maritime area is, first and foremost, dealt with by the six littorals, the wider Black Sea Area issues may involve some non-regional actors, in addition to countries surrounding the Black Sea without necessarily having a coastline.

Turkey's Black Sea security policy:

The underlying philosophy of Turkey's Black Sea security policy is in harmony with the policies and attempts to reach out its neighbours bordering Turkey: We are seeking to build a neighbourhood that enjoys lasting peace, stability and economic prosperity.

We have adopted a bold and active strategy to free our relations with our neighbors from all problems. I can shortly refer it to as "zero problems with our neighbors". In this context, let me briefly comment on our relations with our neighbors as well as other regional issues.

We are working to maintain the positive environment that surrounds our relations with Greece for over a decade. We continue our constructive efforts to this end. I am happy to say that the problems we once had with Bulgaria are now history. Today Bulgaria is a NATO ally. Likewise, we enjoy very good relations with other Black Sea littoral states like Romania and Ukraine. Russia has also evolved into being Turkey's biggest foreign trade partner. We fully cooperate with Russia in many fields ranging from construction to energy issues.

The existence of frozen conflicts in the region that I alluded to earlier is a major source of concern for Turkey. They should be carefully managed if not resolved. A case in point is the clashes that have occurred in the summer of 2008 in the Caucasus, situated in Russia's south and Turkey's east. They have clearly demonstrated that the frozen conflicts of the region could easily lead to war. Mistrust played a pivotal role in the sparking of this conflict. It also showed, yet again, the need for a dialogue platform that would assist in overcoming mistrust and bring all related parties together.

Turkey took the lead initiative in this issue as well, paving the way for the creation of the Caucasus Stability and Cooperation Platform. Countries in the region support this initiative and hopefully it will create new and constructive dynamics that will assist in the comprehensive settlement of all Caucasian disputes. We have close cultural and historical ties with Azerbaijan, which is one of the key countries in its region. Similarly, the level of our relations with Georgia is very satisfactory. The world public opinion is closely following the recent bold steps we took towards the normalization of our relations with Armenia. We have agreed on a series of issues with this country towards normalizing and improving our relations on the basis of mutual respect. We are working hard to settling the Nagorno Karabakh issue, one of the most outstanding Caucasian problems.

Building on the security environment created by the Montreux Convention, we are also aware that while putting into motion the objective of achieving lasting peace, stability and economic prosperity at the regional level we need to act with our partners in the Black Sea Area. We also recognize that achieving such an objective may be a long and arduous journey.

In the maritime security domain we launched this journey some 10 years ago. Through Turkey's initiative and with the participation of all littoral states the BLACKSEAFOR came into being. The BLACKSEAFOR has been designed as a mechanism to help building

confidence among littoral states through activities jointly carried out on areas such as humanitarian aid, search and rescue, environmental protection and port visits.

In addition to that, in 2004, the Turkish Navy initiated the Operation Black Sea Harmony (OBSH) which was designed on the one hand to synchronize the Black Sea's security environment with the global efforts against asymmetric risks and threats, and on the other hand, to harmonize the activities conducted in this spirit by different littoral states. OBSH is also closely affiliated with NATO and complements Operation Active Endeavour conducted in the Mediterranean. The findings of OBSH are shared with NATO through CC Mar Naples on a daily basis. NATO Military authorities have recognized the efficiency of this mechanism.

The Establishment of BSEC:

In the Black Sea context there has been a separation between soft and hard security domains although they are related, inter-linked and mutually supportive. This separation was made for practical reasons, in order not to block cooperation among regional countries with major political problems.

After the end of the Cold War, as a confidence building soft security measure, Turkey took the lead to launch an economic cooperation initiative to help transform the centrally planned economies of the Soviet era and integrate them into the world economy, so that the potential of the region could be maximized. Hence, the establishment of the Organization of the Black Sea Economic Cooperation (BSEC) in 1992. The main idea of this initiative was that stronger economic cooperation and interdependence among the Black Sea countries will enhance peace and stability in the region.

BSEC was created specifically to encourage active contribution of all the countries in the Black Sea Area to the welfare and stability of the region. Today, after almost two decades, BSEC has reached an institutional maturity, and is now the most established and comprehensive cooperation organization in the Black Sea Area with a well-established legal and procedural framework. It is an important contributor to peace and stability in the region bringing together all countries of the wider Black Sea region in a spirit of confidence and constructive cooperation. It is particularly interesting to note that some of the members of BSEC, which have had conflicting relations with each other in other fora, have demonstrated a fairly sustainable working relationship within the framework of BSEC.

Despite the difficult times that the region has been going through recently, such as in the case of the Russian-Georgian conflict of 2008, BSEC meetings has continued to take place in a friendly and constructive atmosphere. This has been a clear indication of the commitment of all the member states to BSEC and to its goals of turning the BSEC Region into a region of peace, stability and prosperity through economic cooperation.

The cooperation within BSEC has not reached its true potential yet, particularly because of the fact that its members have had diverging priorities. However, the interests of the BSEC Member States have begun to converge in recent years and they are now able to develop common strategies and approaches on various areas, such as energy, transport and protection of the environment.

Energy supply security has become one of the most important issues which dominates the international agenda. In this respect, the wider Black Sea region, where energy producer countries co-exist with energy consumer and transit countries, presents us a unique case in terms of global energy supply security. This unique position of the Black Sea brings with it important duties and responsibilities to the countries of the region.

BSEC members possess the world's largest oil and gas reserves after the Middle East.

Russia is the world's largest oil producer after Saudi Arabia. Azerbaijan is another major oil and gas producing country. BSEC neighbors Kazakhstan and Turkmenistan, large producers of oil and gas, depend on BSEC members to export their production to world markets. Bulgaria, Georgia, Romania, Turkey, Ukraine and recently Greece are serving as energy corridors to Western Europe. Further projects for alternative oil pipelines are in the advanced planning stage to relieve the Turkish Straits from the heavy tanker traffic which poses a grave threat to human life and the marine environment.

The ongoing exploration activities, scientific research and newly discovered fields have demonstrated that the region has a vast potential in hydrocarbon resources both in terms of oil and natural gas. There are a number of promising areas for future exploration and production. This has been an encouraging development for companies to make new investments in the region.

In strategic terms, the region's proximity to oil and gas resources and to all other pipeline projects that by-pass the Turkish Straits makes the Black Sea region even more crucial for consumer countries as well as international stakeholders such as oil and gas companies.

In this regard, projects such as Baku-Tbilisi-Ceyhan, Baku-Tbilisi-Erzurum and Blue Stream, which have already become operational, will definitely enhance regional and global energy supply security by providing source and route diversification. Likewise, Nabucco and South Stream projects will not only have a positive impact on the energy security of the Black Sea region, but will also greatly contribute to the increasing natural gas needs of the European markets.

Let me underline at this point that, in many of these projects we have enjoyed the vital contributions of the Japanese companies, which we hope will continue also in the future. In fact, we also wholeheartedly support, the application of Japan for observer status to BSEC, which is viewed by the international community as an anchor of cooperation in the region.

BSEC-European Union Interaction:

The EU Commission has been granted observer status within BSEC, during Turkey's Chairmanship-in-office, in 2007. This has allowed the EU Commission to follow the activities of the BSEC and the opportunities and potential it offers for a mutually beneficial and fruitful cooperation between the two organizations.

BSEC and the EU have every reason to engage in closer dialogue and cooperation. After Greece, with Bulgaria and Romania also joined the EU in 2007, there are now three BSEC Member States, which are at the same time members of the EU. In other words, the European Union has become a littoral of the Black Sea. Among the countries in the region, Turkey is an accession country while Ukraine, Moldova, Georgia, Azerbaijan, Armenia and Moldova are partners of the European Neighborhood Policy within the framework of Eastern Partnership. The Russian Federation is also a strategic partner of the EU.

Conclusion:

Peace and stability are as much important for each country as they are for regions. Therefore, from maritime security mechanisms to the establishment of BSEC, in all these initiatives, Turkey is making every effort to enhancing confidence and strengthening peace and prosperity in the region and on a wider scale.

In today's world, engagement has proven to be the most effective mechanism in uniting nations around universal values and interests. Having said so, enhanced cooperation

in the Black Sea region with the involvement of the EU, Japan and other interested stakeholders who uphold universal values, such as democracy, peaceful engagement and rule of law will generate not only economic benefits, but also contribute to the building of confidence and stability in the region.

Thank you for your attention.

MUTSUSHIKA Shigeo
Professor, University of Shizuoka

**Transformation of Relations among the Big Powers over the Black Sea Region
after the Georgian War**

1. Increased tension between Russia and the West over the Black Sea Region

The balance of power among the big powers—the EU, NATO, and the US on the one hand, and Russia on the other—in the Black Sea region has been transformed every two or three years in the recent past. During 2003 and 2004, it was inclined favorably toward the Western powers as a result of the EU/NATO enlargements in the spring of 2004, as well as the Rose and Orange Revolutions in Georgia and Ukraine in 2003 and 2004 respectively. The EU/NATO enlargement to the Central and East European states caused increased debate within the Western New Independent States (WNIS) and the southern Caucasus over both the choice between domestic reform or status-quo of their regimes and the choice between accession to the EU/NATO or strengthening relations with Russia. Domestic confrontations over these choices, together with unfair parliamentary or presidential elections in Georgia and Ukraine, brought about the Rose and Orange revolutions in the two states. These revolutions, and new political tendencies in Moldova after the Kozak Memorandum (November 2003), caused a revitalization of the GUAM at the Chisinau Summit in 2005 and at the Kiev Summit in 2006. As a result, the movement towards Brussels in the northern and eastern parts of the Black Sea region increased.

However, the pendulum began to swing back in 2005. The US had enjoyed unilateralism after the end of the Cold War, but it began devoting more and more of its energy to the Iraq issue. The EU failed to adopt a new Constitution, and its internal integration began to decline. NATO also had serious difficulties with ISAF activities in Afghanistan. In this situation, after reviewing its foreign policy, Russia adopted a newly assertive one, and regained its power and influence over its 'Near Abroad'. Russia implemented economic sanctions against Georgia and Moldova in 2005, and attempted to raise the price of oil and gas to the international standard in 2006. In addition, President Putin severely criticized the West in a speech in Munich in February 2007, and declared in July 2007 that Russia would suspend the CFE treaty that December. President Putin's confident speech at Munich in February 2007 showed clearly that Russia had completely recovered its power in the region, and that it had also become a powerful, self-confident power in international politics.

But this new-found Russian confidence caused relations between Russia and Ukraine/Georgia, and between Russia and the West to deteriorate.ⁱ The EU under the German Presidency during the first half of 2007 advocated the necessity of strengthening the ENP into the ENP Plus and the creation of the EU's Central Asia strategy, as well as the

continuation of stable relations with Russia. The EU also held the launch meeting of the Black Sea Synergy in February 2008, through which it started to support regional cooperation in the Black Sea region, as well as to promote relations between the EU and the region. NATO also strengthened its eastern policy through the adoption of the Intensified Dialogue with Ukraine in May 2005 and Georgia in September 2006. US President George Bush praised the color revolutions in Riga and Tbilisi in 2005, while Vice-President Dick Cheney made a critical speech on the insufficiencies of Russian democratic and human rights policies in Vilnius in May 2006. Thus relations between the US and Russia were set back greatly from the warm and trusting relations between the two presidents at the Ljubljana summit in 2001.

Just at the time when relations between the West and Russia became tense over the Black Sea region, Japan proclaimed its "Arc of Freedom and Prosperity" on 30 November 2006. This new direction in Japan's foreign policy, to extend its diplomatic horizon through Eurasia to Europe from Asia-Pacific region and to contribute to the stability and peace of Eurasia including the Black Sea region, seemed to be welcomed and highly appreciated by the Black sea states as well as the US, the EU, NATO, and the European states.

2. The War in Georgia and Its Impact on Georgia and Russia

In this way, relations between Russia and Ukraine/Georgia, and between Russia and the West, became tense during 2005 and 2006. The independence of Kosovo and the declaration of NATO at the Bucharest summit in April 2008 caused relations to further deteriorate. The Georgia-Russia confrontation escalated from economic sanctions to politico-military dimensions. After the US and the European states had recognized the independence of Kosovo in February 2008, Russia's Duma declared on the 21st of March that the independence of South Ossetia and Abkhazia should be recognized as well.ⁱⁱ And during March and May of 2008, Georgian unmanned aerial vehicles were flown over the conflict zone.ⁱⁱⁱ In addition, immediately after the NATO Bucharest Summit in April 2008 approved that Ukraine and Georgia would become members of NATO, President Putin issued a presidential order on the 16th of April that relations with South Ossetia and Abkhazia would become official.^{iv} This indicated that Russia had abandoned its official policy of supporting Georgia's territorial integrity. After that, Russia increased its military forces in Abkhazia, and repaired the railway connecting Russia with Abkhazia.^v On the other hand, it was rumored that Georgian hawkish elements were planning to occupy southern part of Abkhazia with military forces.^{vi} Thus a situation was created in which Russia and Georgia might start a war with each other at any time. And one did start in August 2008.

The impact of the war was quite different on Georgia and on Russia. The war had a very negative effect on Georgia, while it seems to have contributed to creating a favorable international environment for Russia. Georgia lost the war, suffered enormous damage, and even gave Russia the opportunity to recognize the independence of South Ossetia and Abkhazia. Because of this, Georgia now has only two alternatives: 1) to give up its accession to the NATO, and so turn towards a pro-Russia policy in order to negotiate with Russia with the aim to recover its territorial integrity, or 2) to pursue NATO membership without South Ossetia and Abkhazia. But neither of these options can be realized without great pains. Thus, for the time being, the Georgian government will make efforts to recover from the war damage and to implement the conditions imposed by NATO/EU for accession, such as democratization, a market economy, etc. At the same time, the Georgian government will attempt to create an international environment which will make it possible to recover its territorial integrity, while at the same time waiting for the moment that Russia will be obliged to abandon South Ossetia and Abkhazia. However, even by following these policies, it appears that it will be quite difficult for Georgia to secure both objectives – territorial

integrity, and accession to NATO. In brief, the war has now made it much more difficult to realize these two objectives.

At the same time, Russia lost credibility in international community by having used disproportionate military force against Georgia, and was isolated for recognizing the independence of South Ossetia and Abkhazia. But this was only a temporary phenomenon. Viewed from a long-term perspective, by having sent a clear message to the West during the War, Russia seems to be creating an international environment favorable to its national interests. Russia showed the West its firm will to oppose Georgian accession to NATO with use of military force, and its willingness to sacrifice good relations with the West. This is why the West froze relations with Russia temporarily, but shortly afterward moved toward a rapprochement with Russia through a process of reviewing its relations with the country. Despite Russia recognizing the independence of Abkhazia and South Ossetia and strengthening its military forces in these two regions, the US claimed a necessity to “reset” its relations with Russia, and the EU and the NATO also decided to normalize their relations with Russia. In addition, new voices have been heard in the West claiming even that Russia should be included in the European security system.

3. Towards Rapprochement between the West and Russia after the Georgian War

(1) “Reset” of relations between the US and Russia

Vice-President Biden said in his address at Munich on the 7th of February 2009 that “it’s time to press the reset button” on relations with Russia.^{vii} The presidents of both the US and Russia agreed at the meeting on the 1st of April 2009 in London that they would strengthen cooperation in areas of common interest such as reduction of nuclear weapons, nonproliferation of nuclear weapons, anti-terrorism, economic stability, the Middle East peace, etc.^{viii} At the Moscow Summit in July 2009, the US and Russia signed a document of Joint Understanding for a follow-on treaty to the START1 treaty, as well as an agreement on military transit to Afghanistan. In addition, both states agreed to organize a presidential committee which will discuss economic development, energy, environment, etc. ^{ix} It was announced at the end of December 2009 that a follow-on treaty to the START 1 treaty would be signed in January 2010.^x

In addition, the Obama administration started to tackle the missile defense issue as well, sending a letter to President Medvedev in February 2009. The letter suggested that President Obama would suspend the deployment of a new missile defense system in Eastern Europe if Moscow would help stop Iran from developing long-range weapons.^{xi} President Obama said in July that he understood Russian sensitivity about the missile defense issue, and made it clear that his administration was carrying out a comprehensive review of the issue.^{xii} President Obama declared on the 17th of September 2009 that the US would adopt a gradual and adaptable approach to European missile defense, and that it would no longer deploy missiles and radar in Central Europe.^{xiii} In this way, the US has promoted its “reset” policy with Russia.

(2) NATO-Russia relations

In his declaration of April 16th, 2008, the Secretary General of NATO criticized Russia for establishing legal relations with Abkhazia and South Ossetia^{xiv}, and on the 3rd of June expressed his deep concern over the stationing of several hundred Russian soldiers and railway army troops in Abkhazia.^{xv} He also urged an immediate stop to military confrontation in Georgia on August 8th.^{xvi} The North Atlantic Council meeting of ambassadors was convened on the 12th of August, and it expressed regret at the Russian use

of disproportionate military force in Georgia, urging Russia to respect the territorial integrity of the country.^{xvii} The NAC special Foreign Ministers meeting held on the 19th of August urged an immediate withdrawal of the Russian army, and announced that the NATO-Russia Council would be postponed until Russia adhered to the cease-fire. It also reconfirmed the significance of urgent implementation of the Georgian-Russian agreement, its support for Georgian territorial integrity, sovereignty and independence, the creation of a NATO-Georgian Commission, a follow-up to the decision made at the NATO Bucharest summit through its Commission, and several other policies supporting Georgia.^{xviii} In addition, NATO criticized the recognition of the independence of Abkhazia and South Ossetia by Russia as a violation of the UN decision on Georgian territorial integrity and asked Russia to implement the six-principle agreement.^{xix}

In this way, NATO had maintained a strict stance towards Russia before, during and after the Georgian War. However, the NATO Ministerial meeting on the 3rd of December 2008 pointed out the significance of relations with Russia, and it decided to adopt 'a measured and phased approach'. That is to say, NATO decided to reopen relations with Russia at the political level led by the Secretary General as well as through unofficial meetings of the NRC.^{xx} In addition, it also decided that MAP status would not be offered to Ukraine and Georgia as both 'had significant work left to do'.^{xxi}

At the NRC meeting reopened in Corfu on the 27th of June 2009, structural reform of the NRC was examined, and it was emphasized that the NRC should be an effective and valuable institution for political dialogue and cooperation.^{xxii} Choosing the Russian issue for his inauguration speech, the new Secretary General of NATO, Mr. Anders Fogh Rasmussen, emphasized strengthening cooperation with Russia in areas of common interest, making the NRC a forum for the discussion of security issues and consulting with Russia about the 21 century's challenges of security towards productive relations with Russia.^{xxiii} Taking into consideration that the NRC did not function effectively at the time of the war in Georgia, the idea emerged that the NRC should be a forum for political dialogue with Russia at critical moments. Based on a review of the NRC, the NRC meeting on the 4th of December 2009 agreed to launch the NRC Work Programs for 2010, a reform of the NRC, and a co-examination of the security challenges of the 21 century.^{xxiv}

(3) EU-Russia relations

Once the war in Georgia broke out, France, the presidential state of the EU at that time, took the initiative to conclude the six-point agreement between Georgia and Russia.^{xxv} Furthermore, the EU released one million euros in fast-track aid to help with urgent humanitarian needs on August 10th, and offered civil protection support through the Monitor Information Center (MIC).^{xxvi} The extraordinary meeting of the European Council on September 1st criticized the Russian recognition of independence of Abkhazia and South Ossetia, and decided to postpone negotiations on a new partnership cooperation agreement with Russia until it withdrew its military forces to the position held prior to August 7th.^{xxvii} In addition, the EU decided on September 15th that it would send a Monitor Mission to Georgia by October 1st.^{xxviii}

However, on October 13th the Council of the European Union expressed satisfaction with the completion of the withdrawal of Russian troops from the adjacent regions of Abkhazia and South Ossetia.^{xxix} A communication from the Commission to the Council on November 5th emphasized the necessity of restarting negotiations on a new strategic partnership agreement with Russia, which had been postponed since the Georgian war.^{xxx} According to the Communication, the EU-Russia summit was held in Nice on the 14th of November 2008. The EU noted Russia's fulfillment of the cease-fire agreement, its withdrawal of troops, the EU

observer mission to Georgia, the start of negotiations in Geneva, and confirmed the continuation of the Partnership agreement negotiations and EU support for the accession of Russia to the WTO.^{xxxii} Then EU-Russia summits were held twice, in May and November of 2009, in which the two sides discussed bilateral problems such as the impact of the world economic crisis, the four Common Spaces, trade, human rights, new partnership cooperation agreement negotiations, energy issues, visa issues, Russian accession to the WTO, etc. as well as international problems such as those in the Middle East, Afghanistan, Iran and Sri Lanka.^{xxxiii} These meetings produced such outcomes as the signing of the agreement on the energy 'Early Warning Mechanism'.^{xxxiii}

(4) European Security Treaty

Another new tendency that appeared in the international community after the Georgian war was the idea to include Russia in a European security system. This was a response by the community to the proposal by Russian President Medvedev regarding a European security treaty. In several speeches after the Russia-German summit in June 2008, President Medvedev talked about the conclusion of a European security treaty, which could offer equal and reliable security to all states through legally binding agreements.^{xxxiv} According to his idea, security should be indivisible and cannot be discussed with sacrifice of the others' security.

Some states such as Germany and France responded affirmatively to the Medvedev proposal, as the President Sarkozy and Chancellor Merkel's joint article of February 2009 showed.^{xxxv} This response might have come from the lessons of the Georgian war. The Russian military attack against Georgia made political elites in Europe realize the necessity of including Russia in the European security system. Firstly, the inclusion of Russia might contribute to a transformation of Russia from a revisionist state into a status-quo one for the European security system. Secondly, it also might make it possible to control Russian behavior within such a system, and to prevent Russia from behaving unilaterally with its military forces. Thirdly, the Russian military attack against Georgia made it clear to European political elites that they should take Russian opposition to the NATO enlargement seriously. In order to soften Russia's firm opposition to the NATO enlargement, they understood that it is essential to reconcile with Russia and, for this purpose, to include Russia in the European security system.

4. Obstacles to rapprochement between the West and Russia

Relations between the West and Russia have improved considerably since the war in Georgia, a time when they were 'worse and more dangerous than at any time since the beginning of the 1980s'.^{xxxvi} This is because both the West and Russia realized the necessity of cooperating in areas of shared interest in a situation both of increased interdependency in a globalised world and of international economic and financial crisis that began in the autumn of 2008. However, this raised the problem of whether these cooperative relations limited to shared interests will be able to develop into truly stable and comprehensively cooperative relations in a variety of areas.

(1) Missile Defense

Unfortunately, we cannot help but recognize the existence of obstacles which lie before the relations between the US and Russia. It is true that the issues of missile defense and nuclear disarmament have almost been resolved, but the revision of missile defense policy by the US administration might imply that the Obama administration has set rapprochement with Russia above the security demands of the Central European states. Poland and the Czech

Republic sought the assurance of their defense and security by strengthening bilateral relations with the US, because NATO's collective defense role has been reduced by the expedition of NATO military forces to places out of area and by its increased global partnerships. Therefore, the political leaders of the Central and East European states sent an open letter to President Obama attempting to remind US political elites that Russia was still a 'revisionist power' in Central and Eastern Europe as well as Eurasia.^{xxxvii} Vice-President Biden visited Warsaw, Prague and Bucharest in October 2009, and attempted to reassure these states of the US commitment to Central and Eastern Europe.^{xxxviii} But it is quite unclear whether his visit had succeeded in reassuring them.

In addition, we should also take into consideration the variety of interests within Europe, as well as between the US and Central and Eastern Europe. Some of the states of 'Old Europe' opposed the Bush Plan to deploy defense missiles in Central Europe as it invited Russian retaliation in the form of missile deployment in Kaliningrad. Some political elites and ambassadors of the Balkan EU/NATO member states and Ukraine appreciate the new missile defense policy of the Obama administration as it will be able to cover Europe as a whole. It is worth noting that interests concerning missile defense policy are divided within the EU/NATO member states.

(2) NATO Enlargement

Another obstacle for Russia-US relations is NATO enlargement. NATO refrained from giving MAP status to Ukraine and Georgia at the NATO Ministerial meeting in December 2008 and at the NATO summit in the spring of 2009. However, at the NATO meeting it was decided that NATO would continue to assist the efforts of Ukraine and Georgia towards accession to the organization, making use of the NATO-Ukraine Commission and the NATO-Georgia Commission (created in August 2008).^{xxxix} They agreed that the criteria for accession would be implemented through Annual National Programs (ANP) on behalf of MAP. This was the result of a compromise between the NATO member states supporting NATO enlargement to Ukraine and Georgia and the states opposing it. These factors indicate that the NATO enlargement issue has not yet been resolved.

(3) Conventional Forces in Europe (CFE) Treaty

The US and Russia almost reached at the end of 2009 an agreement on nuclear disarmament after the START1 treaty had expired. However, the issue of the CFE treaty has not yet been resolved since Russia's unilateral suspension of it in December 2007. Thus security based on conventional forces in Europe has remained unstable.

The CFE treaty was signed in 1990 and entered into force in 1992. But the international environment in which the CFE Treaty was adopted and was functioning was radically transformed once three former Warsaw Treaty Organization members became members of the NATO. Thus the CFE Treaty needed to be revised in accordance with the new international situation which came about after NATO enlargement. So the Adapted CFE Treaty was signed in 1999 at the Istanbul OSCE summit. Russia ratified it, but the NATO states failed to ratify it for the reason that Russia had not implemented the Istanbul commitment to withdraw its troops from Georgia and Moldova. In this situation, Russia declared in July 2007 that it would suspend the CFE treaty in December of that year if the NATO members did not ratify the Adapted CFE Treaty. Furthermore, Russia demanded the abolition of the flank restriction between north and south within Russian territory, accession of the Baltic states to the Adapted CFE Treaty, and a review of the numerical ceilings on arms deployment in Bulgaria and Rumania, taking into consideration that the US had concluded agreements with both countries on the use of their military bases.^{xl}

(4) European Security Treaty

Russia and the West seem to have quite different expectations of the European security treaty proposed by President Medvedev since his visit to Germany in July 2008. Russia expects to participate in the decision-making process on European security issues, and wants to influence on them according to its national interests. Furthermore, judging from articles 1, 2, 6-3, 9-2 and 9-3 of the draft treaty, Russia appears to be aiming at a reduction in the role of NATO in European security.

On the other hand, the US and the European states want to promote good and stable relations with Russia by including Russia in the European security system. They expect that cooperation with Russia would make it easier to resolve international issues. In addition, they suppose that engaging Russia in a European security treaty would make it possible to control Russian unilateral behavior within the security system.

However, there are a variety of views in the West on the relationship between a new European security treaty and NATO. Some insist that NATO should be open to Russian accession,^{xli} while others say that the major issues for NATO, such as collective defense and organizational enlargement, should be decided within the NATO decision-making process according to its own procedure. This is why well-known political scientist and former US National Security Adviser Zbigniew Brzezinski might propose a European security system which keeps NATO's security role and current structure, and, at the same time, allows NATO to cooperate with Russia, CSTO and SCO.^{xlii} In fact, this idea on a new European Security is also advocated by a Russian political scientist with whom the author has spoken to. Russian experts on international politics have in mind concepts about the European security system such as a collective security system within the OSCE, a new comprehensive collective security system, a security system composed of NATO and Russia (including current nonmembers of NATO), etc.^{xliii}

(5) Eastern Partnership of the EU

Besides negotiations on a new strategic partnership agreement, Russian accession to the WTO, the four common spaces, etc., one of the most significant issues for Russia-EU relations is the Eastern Partnership inaugurated in May 2009, which targets Ukraine, Moldova, the three South Caucasian states, and Belarus. Its objectives are said to be to prepare the accession to the EU of these eastern neighbors, in particular Ukraine, through the conclusion of association agreements, special agreements on energy, environment, science, transport, visa facilitation and the creation of a profound and comprehensive free trade area in preparation for the moment that the EU would be able to enlarge. Thus if the Eastern Partnership succeeds in strengthening the EU's relations with these Eastern European states, it is inevitable that Russian isolation will increase. The integration of Ukraine into the Union in the area of energy has been actively pursued, and it is said that Ukraine is set to become a member of the Energy Community of the Union in the near future. In such a situation, Ukraine's electricity sector would be run according to EU rules. Such an approach of the Ukraine to the EU can also be seen in the start of negotiations on a profound and comprehensive free trade area in the spring of 2008, despite Ukraine having fluctuated between joining the Single Economic Area with Russia and accession to the EU until a few years ago.

5. Status-quo and revisionism in the Black Sea region

We have discussed relations among the big actors of Wider Europe, but it goes without saying that these relations are closely correlated with the international relations of the Black

Sea region. Thus, according to the characteristics of the relations among the big actors, Black Sea international politics have converged into two confrontational tendencies. One is the status quo of maintaining the current balance of power in the Black Sea region by keeping the region as closed as possible, and the other is the revisionism of opening the Black Sea region to Wider Europe as a whole by strengthening relations with the EU, NATO and the US. This international structure composed of status quo and revisionism in the Black Sea region can be discerned not only in the dimension of relations between the Black Sea states, but also in sub-national, trans-national and regional dimensions around the Black Sea region. Thus sub-national and trans-national actors such as political elites, ethnic organizations, religious organizations, military organizations, NGOs seeking democracy, enterprises, terrorist organizations, organized crime syndicates, local entities, etc., in the Black Sea region have promoted activities supporting the status-quo or revisionism in the Black Sea region. This bi-polar structure is noticeable in the issues characteristic of the region, such as the frozen conflicts, democratization, and energy security. This bi-polar structure has influenced regional cooperation within the BSEC and through the EU's Black Sea Synergy as well.

So, how will the transformation of relations among the big actors since the end of the Georgian war influence Black Sea international politics, and in particular the relations between status-quo forces and revisionist forces in national, sub-national, trans-national and regional dimensions? And conversely, how will Black Sea international relations in these four dimensions influence power relations among the big actors in Wider Europe international relations? And will cooperative relations among the big actors facilitate Black Sea regional cooperation within the BSEC and through EU's the Black Sea Synergy? The answers to each of these questions remain to be seen.

ⁱ Azerbaijan seems to have kept good relations with Russia as well as GUAM. Moldovan Government under President Voronin moved to rapprochement with Russia since the summer 2006 and he no more participated in GUAM summit since the 2007 Baku Summit.

ⁱⁱ Russia: Duma Treads Warily Over Abkhazia, South Ossetia, and Transdniestier Status, RFE/RL, March 14, 2008. Russia:Duma Votes To Back Separatist Efforts in Georgia, RFE/RL, March 22, 2008.

ⁱⁱⁱ Report of UNOMIG on the Incident of 20 April Involving the Dawning of a Georgia Unmanned Aerial Vehicle over the Zone of Conflict.

^{iv} Ministry of Foreign Affairs of the Russian Federation, Press Release, The Russian President Instruction to the Russian Federation Government with Regard to Abkhazia and South Ossetia, 501-16-04-2008.

^v Ministry of Foreign Affairs of the Russian Federation, Press Release, Measures to Strengthen the Collective CIS Peace Keeping Force in the Georgian-Abkhaz Zone of Conflict, 588-29-04-2008.

^{vi} Georgia and Russia: Clashing over Abkhazia, International Crisis Group, 5 June 2008, pp.7-8.

^{vii} Remarks by Vice President Biden at 45th Munich Conference on Security Policy, The White House, February 7, 2009.

^{viii} The White House Blog, Reset with Russia, April 1, 2009.

^{ix} White House: Office of the Press Secretary, Press Conference by President Obama and President Medvedev of Russia, July 6, 2009.

^x RIANOVOSTI, December 21, 2009.

^{xi} The New York Times, March 2 and 3, 2009.

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- ^{xii} White House: Office of the Press Secretary, Transcript of President Obama's Interview with Novaya Gazeta, July 6, 2009.
- ^{xiii} White House: Office of the Press Secretary, Fact Sheet on US Missile Defense Policy, A "Phased, Adaptive Approach" for Missile Defense in Europe, September 17, 2009.
- ^{xiv} Statement by the NATO Secretary General on Abkhazia and South Ossetia, 16 April 2008.
http://www.nato.int/cps/en/natolive/opinions_7247.htm?news
- ^{xv} NATO Secretary General's Statement on the Deployment of Russian Railway Troops into Georgia, 02 June 2008. <http://www.nato.int/cps/en/natolive/news=7760.htm?mode=news>
- ^{xvi} Statement by the NATO Secretary General on events in South Ossetia, 08 August 2008.
http://www.nato.int/cps/en/natolive/news_37136.htm?mode=news
- ^{xvii} North Atlantic Council discuss situation in Georgia, 12 August 2008.
http://www.nato.int/cps/en/natolive/news_43416.htm?mode=news
- ^{xviii} NATO's foreign ministers reiterate their support for Georgia.
http://www.nato.int/cps/en/natolive/news_43513.htm?mode=news
- ^{xix} Statement by the Secretary General of NATO on the Russian recognition of Abkhazia and South Ossetia, 26 August 2008.
http://www.nato.int/cps/en/natolive/news_43516.htm?mode=news. Statement by the North Atlantic Council on the Russian recognition on South Ossetia and Abkhazia regions of Georgia, 27 August 2008. http://www.nato.int/cps/en/natolive/news_43517.htm?mode=news
- ^{xx} Allies send a signal to Russia, 03 December 2008.
http://www.nato.int/cps/en/natolive/news_51108.htm?mode=news
- ^{xxi} Allies discuss relations with Ukraine and Georgia and send a signal to Russia, 03 December 2008. http://www.nato.int/cps/en/natolive/news_46747.htm?mode=news
- ^{xxii} Opening remarks by NATO Secretary General Jaap de Hoop Scheffer at the Meeting of the NATO-Russia Council, Corfu, Greece 27 June 2009.
http://www.nato.int/cps/en/natolive/news_55957.htm
- ^{xxiii} "NATO and Russia: A New Beginning", Speech by NATO Secretary General Anders Fogh Rasmussen at the Carnegie Endowment, Brussels, 18 September 2008.
<http://www.nato.int/cps/en/natolive/news=7760.htm?mode=news>
- ^{xxiv} NATO and Russia agree to move partnership forward, 04 December 2009.
[http://www.nato.int/cps/en/natolive/news_59970.htm?](http://www.nato.int/cps/en/natolive/news_59970.htm)
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- ^{xxvi} Georgia: EU continues to deploy assistance to the conflict-stricken area, IP/08/1269, Brussels, 21 August 2008.
- ^{xxvii} Extraordinary European Council, Brussels, 1 September 2008, Presidency conclusions, 6 October 2008, 12594/2/08, REV2.
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Session II: “Challenges for Economic Development and Energy and Environmental Cooperation in the Black Sea Area”

Mykola KULINICH
Ambassador of Ukraine to Japan

Addressing the Challenges to Economic Development in the Black Sea Area: a Ukraine’s vision

Ladies and Gentlemen,

It is an honor for me to have a keynote speech at the Third Japan-Black Sea Area Dialogue addressing the issues of economic development in the region. For my country, Ukraine, Black Sea Region is strategically important in terms of both economic cooperation and national security. The pace of regional integration of BSEC is closely related to the economic development of each of the member-countries as well as interregional trade, financial and energy cooperation.

On the one hand, half of the states in the Black Sea Area are under the process of the political and economic transformation aimed at economic liberalization and reforms. The differences in the level of economic development, membership status in EU and WTO and size of the economies put a lot of challenges to economic cooperation within the institutional framework of the regional organization. On the other hand, BSEC countries with the population of 330 mil people, rich of national resources, developed industrial base have a significant potential for developing closer economic ties in many areas, such as energy, infrastructure, finance, trade, agriculture, tourism and environmental policy.

I would like to note that from November 2007, when the 2nd Japan Black Sea Area Dialog was held, to April 2008 Ukraine exercised Chairmanship in BSEC. During this time we held a number of events to promote sectoral cooperation in different areas of economy, for example, the First BSEC Banking Forum in Kyiv, the First Container Summit in Odessa, a number of other ministerial meetings on energy, transport, science and technology, education, custom services.

Further, I would like to briefly touch upon challenges to economic development in the Black Sea Area, which require collective and coordinated actions of the member-states.

1. Nowadays the financial economic crisis, which started in September 2008 and adversely affected the global economy, became a new test for the BSEC regional economic development and cooperation. As a result of capital outflows, falling industrial output and demand, high unemployment rate, and banks’ liquidity squeeze, the period of high economic growth in many BSEC countries has ended. Ukraine is not an exception and, unfortunately, is in the list of the countries which suffered the most because of the export dependent economic structure and weak banking system. Although the damage from the crisis varies from country to country, the overall impact on the Black Sea Region was very negative. In 2009 it is expected that the GDP growth rate in Black Sea Area would be -6-7%.

The current crisis demonstrated how economically interconnected and interdependent countries are, and that they cannot tackle the global crisis only on a domestic level, but must join their efforts and act together to fight with the consequences of the crisis and take measures to prevent a new one.

On an individual basis, national governments used various financial mechanisms to avoid collapse of banking system and stimulate the economy. Some of the countries, including Ukraine, Romania, Serbia and others received financial assistance from IMF and other international institutions. While these measures are effective to a certain extent, it is desirable to develop financial and banking cooperation, which aims at risk reduction and collective guarantees on the regional level.

In this regard, financial activities of BSEC, especially the Working Group of Banking and Finance, as a consultation mechanism, and Black Sea Trade and Development Bank require a special attention. I hope that in spite of the crisis the Bank will continue its participation in large-scale investment projects contributing into the process of overcoming the economic instability in the region.

Japan also felt the negative impact of the world economic crisis. But in spite of this Japan did not turn away its attention from the problems of other countries, but became a major donor to international financial organizations to help countries in need support their economies. I should note that the third IMF tranche to Ukraine in July 2009 was fully covered by Japan's additional 100 bln dollars contribution to IMF. I greatly appreciate Japanese financial assistance and hope Japan will be able to help BSEC countries stabilize their economies not only through IMF, but also through private investments.

2. Another challenge to the economic development in the Black Sea Area is energy security and disproportional distribution of energy resources. Traditionally the region was a major transit zone with big energy suppliers, such as Russia and Azerbaijan. Thus, energy cooperation within the region as well as with energy importers outside the region such as the EU countries, have an important implication for economic development.

BCES Declaration on Cooperation with the EU in the Field of Energy, which was signed in April 2008 in Kyiv, and the Yerevan Declaration on Energy Cooperation in the BSEC Region, which was adopted by Energy Ministers in March last year, clearly demonstrated the will to coordinate energy policy and integrate energy markets of the BSEC countries as well as the EU. However, consensus on energy strategies of the member countries should be strengthened by practical implementation of joint projects. Ukraine, as a major transit state between Europe and Asia, has a strategic interest in energy cooperation within BSEC and BSEC-EU frameworks and interested in improving energy transportation infrastructure and mutually beneficial diversification of energy resources.

An important component of energy security and independence of any state is diversification of energy resources supply and stability of energy resources transit. In the framework of realization of the energy policy, aimed at strengthening of the Ukraine's position as a reliable partner in energy sphere, my country is actively working on the issues of establishment of new routes of energy transportation from Caspian and Middle East regions. For example, During the Third Energy Summit in Kyiv, which was held in May, 2008, the President of Ukraine Victor Yushchenko initiated the Concept of the Caspian-Black Sea-Baltic Energy Space in order to provide reliable, transparent and predictable energy supply to Europe. Currently the priority project in the framework of the mentioned concept is establishment of the Euro-Asian Transit Corridor.

In the future, the Caspian-Black Sea-Baltic Energy Space will help strengthen the trust between countries in the region and reduce risks over the whole energy chain – from

energy exploration in Caspian Sea, energy transit via Black Sea to supply on the European market.

Heavy dependency of the most of the BSEC countries on external supply of oil and gas calls for the need to increase energy efficiency and diversify energy sources. While joint projects in energy exploration and transportation require political will of the member states to cooperate, realization of energy saving projects could be more viable. In this regard, Japan as a pioneer of advanced technologies and one of the most energy efficient countries could be a strategic partner for BCES countries.

I can give you an example of such cooperation between Ukraine and Japan. For Ukraine last year marked a breakthrough in implementation of Japanese energy saving technologies within the framework of “green investment scheme” under the Kyoto protocol. Rising gas prices and tensions with the major gas supplier, which occurred in the past, made the Ukrainian government reconsider its energy policy and start to promote usage of alternative sources of energy and energy saving equipments in communal services, electric power production, metallurgy, chemical industry and other sectors. Successful implementation of such advanced technologies is equal to the economic security and growth. I believe Japan could play an important role in modernizing and “greening” economies of BSEC countries on a mutually beneficial basis providing investments and technology transfers.

3. Next, environmental issue is one of the most serious threats to the economic development of the Black Sea Area. It includes preservation and management of natural resources in the Black Sea and Danube River as well addressing the problem of global warming on the regional basis. To find effective solution to ecological problems BSEC states need to join their efforts in coordinating national environmental strategies and ecological legislation. Key issues for environmental protection include industrial pollution, pollution of the Black Sea and rivers, waste management especially radioactive waste to name a few. In the case of Ukraine, we are taking different measures to eliminate the consequences of Chernobyl nuclear accident. We appreciate the assistance from Japan in this area and hope that Japan, as the most environmentally friendly nation, will help tackle ecological problems in the Black Sea region.

4. Formation of BSEC has happened on the intersection of trade and economic systems, which previously had different economic development concepts. From the very beginning of BSEC these circumstances conditioned relatively low trade turnover between the countries with different economic systems, in spite of the diversity of industrial capacity, service sectors and natural resources.

According to UNDP data, intra-regional trade is on average small, not exceeding 20% of the total. Currently only Bulgaria, Greece, Georgia, Rumania, Turkey and Ukraine are the members of WTO and others are still negotiating their accession to this organization. As for Ukraine, the major trade partners in the region are only Russia and Turkey.

To increase intraregional trade, the ultimate goal of the BSEC initiative is establishment of the “free trade zone”, however, it is more a long-term perspective than a short-term goal. The main issue at stake is trade facilitation using various mechanisms such as reduction of non-tariffs barriers, implementation of joint economic projects, and participation in regional trade exhibition etc. Last year in October Ukraine hosted a Workshop on Customs Data Exchange as a step to trade facilitation by reducing waiting time at the borders and combating fraud and smuggling. I believe that real-time exchange of information among the customs administrations would help both the customs and business to speed up the process

of clearing of imported and exported goods.

At the current economic situation, when the financial crisis badly hit the regional economy, it is important that member-countries do not impose any additional barriers to trade to protect their economies, but follow the international principles of free trade. Accessible and open market of the BCES countries would make the region more attractive to domestic and foreign investors which will foster private sector development. Furthermore, open markets will promote trade with the countries outside the Black Sea Area, especially with EU, which is the main importer and investor for the BSEC countries.

Geographical proximity to EU and participation of three EU member states in BSEC, on the one hand, makes EU a main economic partner for the region, but on the other hand, puts in a disadvantage position non-EU countries. The challenge they have to face is the adaptation of their regulatory standards and product quality to the EU rules.

To develop joint economic projects and promote investment and trade in the region and with other countries, BSEC Business Council is very instrumental. In many other regional organizations close business ties and cross-countries business network were one of the main impetuses for further institutional cooperation. In this way, I see the role of the BSEC Business Council as a collective mechanism for facilitation of partnership between government and business as well as between regional private companies.

Some might argue that new projects are difficult to implement during the financial crisis. But I would not be so negative. We should think of this crisis as an opportunity to rethink the strategy to business cooperation creating opportunities for new projects in infrastructure, agriculture, energy-saving, tourism and other areas with the participation of private and public sectors as well as foreign investors. A really important instrument for practical implementation and financing of projects is BSEC Project Development Fund. One of the examples of the two regional projects can be the Black Sea Ring Highway and the Motorways of the Sea. Japanese companies are very much welcomed to the Black Sea Area not only on a country-to-country basis but also on a regional basis.

I am also optimistic about the activity of the Black Sea Trade and Investment Promotion Program (BSTIP), which is a joint project between BSEC Project Development Fund and the UNDP aimed at promoting intraregional trade and investment.

To conclude, in spite of the economic diversity and different levels of integration to the global economic system, BSEC countries have common problems which they have to face. Global crisis, climate change, low level of intraregional trade and investments and energy security are the main challenges which call for joint efforts and coordinated policy among member-states. At the same time, Japan as one of the most advanced economies with vast economic and financial capacities can make a significant contribution to the development of the region through its own initiatives as well as through international organizations on a mutually beneficial basis.

I hope that the Government of the Prime-Minister Yukio Hatoyama will also see a lot of opportunities and strengthen the Japanese presence in the Black Sea Area.

Thank you for your attention.

MOTOMURA Masumi
Chief Researcher,
Japan Oil, Gas and Metals National Corporation

Energy Flow through the Black Sea Region

Good afternoon, ladies and gentlemen, and distinguished participants.

It's a great honor for me to have an opportunity to give a keynote speech about energy cooperation in the Black Sea Region.

Today, I would like to focus on the new pipeline projects around the Black Sea, since this topic has been drawing attention from the governments and energy industries not only in this region but also from the rest of the world.

1. Progress of pipeline projects around the Black Sea

Due to potential growth for the future gas demand at around 2% per year in Europe, several new gas pipeline projects were planned to increase gas supply to the European market. The first one is named "Nord Stream" or "North Stream" to transport Russian gas from Vyborg at the Baltic Sea to Greifswald in Germany. There were some concerns about realization of this pipeline project, since this plan needs consents from the countries surrounding the Baltic Sea.

Some people fear the growth of influence of Russia over the European gas market and anticipate that "democratic" North European countries would not allow Russian gas to be transported along the bottom of the Baltic Sea. However, most energy experts were predicting that "Nord Stream" will be surely realized because the United Nations Convention on the Law of the Sea (UNCLOS) stipulates in article 79 that "All States are entitled to lay submarine cables and pipelines on the continental shelf" and "The delineation of the course for the laying of such pipelines on the continental shelf is subject to the consent of the coastal State." It means the coastal state can say "yes" or "no" only on the individual pipeline route, not on the pipeline project itself.

The governments of Denmark, Sweden and Finland gave approval for "Nord Stream" last autumn.

Procurements for this project have been ready for two years and the construction will start on April first this year.

Nabucco was planned to transport gas to Southern Europe from Azerbaijan and other Caspian countries or Central Asia. The consortium was established in 2004 by Turkey, Bulgaria, Romania, Hungary and Austria, and has been trying to achieve commitments for the gas supply from the Caspian and the Central Asian countries (Fig.1).

On the other hand, Gazprom of Russia and ENI of Italy announced another gas pipeline project named "South Stream" in June 2007, targeting the Southern European market as well. This pipeline will start from a Russian port at the Black Sea, crossing the sea bottom, and will reach the Bulgarian coast. In Bulgaria the route diverges into two. The northern route will reach finally Northern Italy and Austria and the southern route will go through Greece, the Adriatic Sea and get to southern Italy.

The purpose of this project is obvious. To supply more amounts of gas in a stable manner from the massive Russian gas fields is the most definite way to compete with Nabucco and if possible to eliminate its influence.

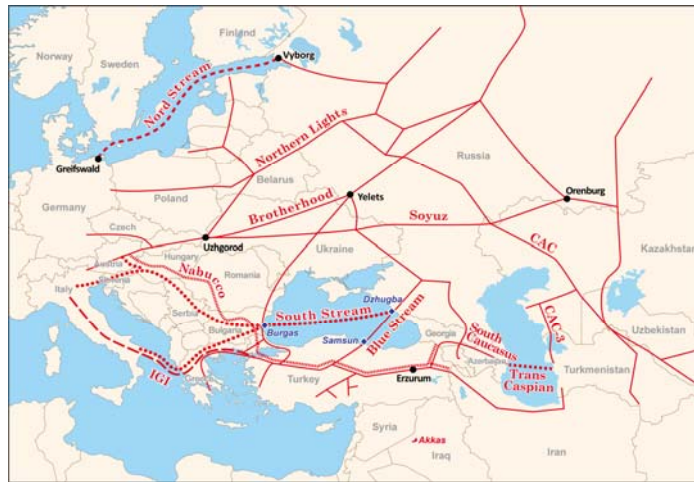


Fig. 1 Nabucco Pipeline and South Stream

2. Nabucco

(1) Developments in 2009

In early 2009, a series of international conferences on the Nabucco project were held on the basis of a gas supply crunch from Russia to Ukraine and Eastern Europe in January 2009. Finally, an intergovernmental agreement was signed in July among five transit countries: Turkey, Bulgaria, Romania, Hungary and Austria (Fig. 1). However, no progress has been seen since then. The weak point of Nabucco, as is often mentioned, is the lack of enough sources to supply gas to the pipeline. The second phase of the Shah Deniz gas field offshore Azerbaijan will produce 16Bm³, however the capacity of Nabucco is 31Bm³. There is some possibility that the Akkas gas field in the western Iraq (close to Syria), or two gas fields in Kurdistan will join, however the development of these fields has not yet been achieved.

(2) Transit problem with Turkey

Another problem has been Turkey's policy. Turkey wants to purchase 15% of throughput gas at a discount price and has been negotiating with other partners, which caused disharmony among the Nabucco partners. Pursuant to the Energy Charter Treaty, freedom of transport is declared in Article 7. What Turkey is demanding may possibly be not in accordance with this clause.

(3) Azerbaijan's choice

Azerbaijan will start gas exports to Russia by reverse flowing of the existing pipeline, which was used to import gas from Russia until 2005. The planned throughput was only 500 million m³ at first, however this will increase up to 2 billion m³ in 2011. This is a symbolic case to show Azerbaijan's intention not to rely only on the Turkish route but to retain another transportation route.

(4) Change of US policy

Mr. Richard Morningstar, the US envoy to Eurasian Energy, said in the middle of July, when the intergovernmental agreement of Nabucco was signed, that half of the capacity is open to the third parties of gas producing countries and Russia can supply gas to the Nabucco pipeline. This is a very important change of policy from the USA, since the USA has been saying that this pipeline is not only to detour Ukraine but also avoid the gas source of Russia.

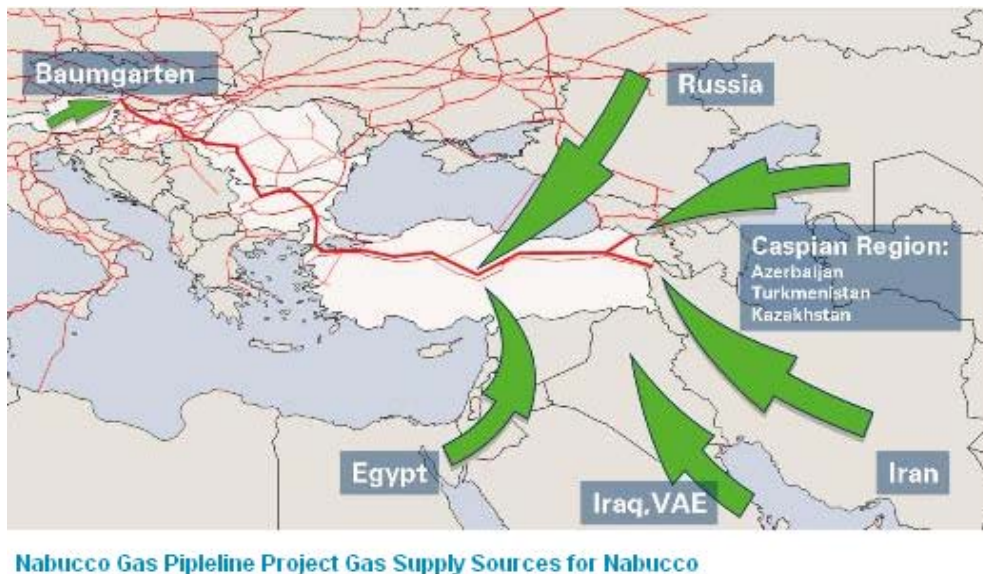


Fig. 2 Multiple source for the Nabucco pipeline (website of Nabucco)

We must pay attention to what Nabucco participants really want. If we take a look at the website of Nabucco (Fig.2), surprisingly enough, we will find that they are saying Nabucco will transport gas from Russia, Iran, Azerbaijan, Egypt and so on. Only politicians say no gas from Russia. Business people are not interested in overly politicized issues. There are lots of arrows of gas flow from lots of countries flowing into the Nabucco pipeline

So, a question may be raised. What's the difference between Nabucco and South Stream? My answer is that there is no difference and this competition is meaningless. I think the best way for the both sides is to find a way to merge.

3. South Stream

Slovenia signed the governmental agreement last November and all the transit countries joined this project. The route has changed several times. Passing through Slovenia, the pipeline runs directly to Italy and a spur will be extended to Austria according to the last plan (Fig.1).

In November, Electricite de France (EdF), a French power company, joined the South Stream project and will take 10% share. Gaz de France Suez has already joined the Nord Stream project. So, this is the second time that a French company has joined a pipeline project to accept Russian gas. It means France also wants to reserve gas to cope with increasing demand for gas in the future.

Another surprising thing is that Turkey approved the construction of South Stream running through the Turkish water of the Black Sea in last August, which Ukraine rejected bluntly at the very beginning of this project.

That's an enigma and rather difficult to understand. Turkey is a member of the Nabucco project and it is obvious that South Stream is a competitor. But still, Turkey might have given some favor to South Stream instead of remaining as rival. My interpretation is that it is free of charge to give the permission of passage in the Black Sea for the government of Turkey but it may work as a "free pass" or an indulgence for Turkey when South Stream and Nabucco decide to merge.

On the other hand, Russia is to pay an expensive price to Turkey.

4. Bosphorous bypass oil pipeline

Mr. Putin's visit to Turkey in August 2009 was the most influential one. 20 documents were signed and three important agreements about energy were included.

As I mentioned, the first one is Turkey's approval of passage of South Stream through the Turkish water of the Black Sea. The second one is Russian participation in the Samsun-Ceyhan Bosphorous Bypass oil pipeline. This one is also a competitor against the Russian-led Burgas- Alexandroupolis pipeline, which is another Bosphorous bypass oil pipeline through Bulgaria and Greece (Fig. 3).

It is said that the maximum capacity of the Bosphorous Strait is around 2.2 million barrels per day, which is the current level of actual transportation. Now that the oil production in the Caspian region is souring, demurrage at the entrance of the strait is becoming a big problem.

Russia proposed a detour from Burgas of Bulgaria to Alexandroupolis of Greece and Russia, Bulgaria and Greece agreed in 2007. To oppose that, Turkey and ENI of Italy proposed the Trans-Anatolian or Samsun-Ceyhan pipeline, and the both plans competed to gain commitment of throughput from oil producing companies. Russia has been predominant since Russian oil companies have the largest oil exports, while the Turkey-Italy group could accept only ENI's products from Kazakhstan.

But now, Russia seems to have chosen ENI as a partner. It is because the South Stream project with ENI became the first priority for Russia.

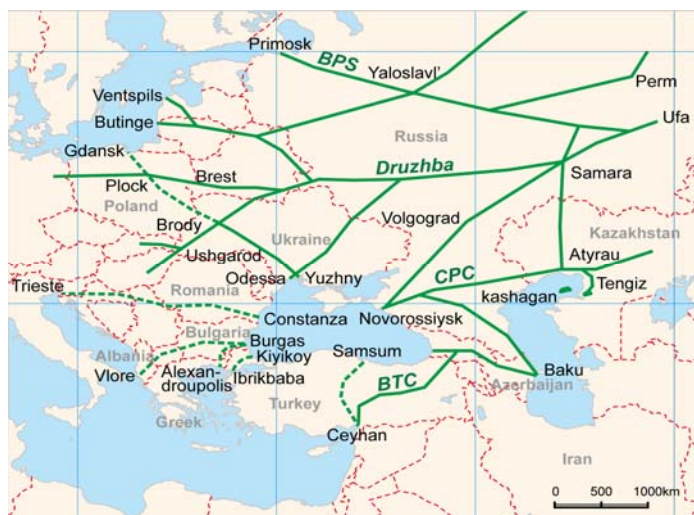


Fig. 3 Oil pipeline network around the Black Sea

5. Blue Stream-2

The third one is that Russia and Turkey agreed to construct Blue-Stream-2, which will transport gas to Cyprus, Syria, Lebanon and Israel. As I mentioned before the Nabucco Company is looking forward to participation of Russia, however this new project might serve as a rebuff to Nabucco.

6. Conclusion

Of course, these are all games. Before making investment, all the participants around the Black Sea beat their brains out to possess the better position in the game. We should keep in mind that those are business tactics and far from political strife. Their goal is to establish a good business model which creates value among all the participants. Stability of the business, mutual benefits, and the prosperity of this region may have the first priority.

Session III: “Future Perspective of Japan-Black Sea Area Cooperation”

HASUMI Yu

Professor, Rissho University

The Role of Japan in Black Sea Area Cooperation —in comparison with the EU’s Strategy to Black Sea Area—

1. Enlargement of the EU and European Neighbourhood Policy

After the 5-th enlargement, the EU was confronted with borders of neighbourhood countries with different degree of instability. Therefore the EU has major interests in seeing stability, economic development and better governance in its neighbours. The European Commission presented European Neighbourhood Policy (ENP), which covers six eastern neighbours and ten Mediterranean partners — Tree Western NIS (Belarus, Moldova, Ukraine), Southern Caucasus (Armenia, Azerbaijan, Georgia), and Mediterranean (Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Syria, Tunisia, the Palestinian Authority).

Based on shared values and common interests, ENP is the soft security strategy for challenges to various issues between ‘in’ and ‘out’ of the EU. ENP is criticised for its ambiguity, subjective assessment criteria and lacking effective mechanisms to ensure implementation of reforms without promise of membership.

According to F. Tassinari, it is due to the fact that ENP concerns the conceptual, strategic and spatial limits of Europe. Neighbourhood countries are meeting place of various cultures and civilisation. At the same time, the EU as ‘integration process’ meets the EU as ‘foreign actor’ and ‘gravitational power’ meets its ‘normative power’.

Therefore the EU is unsettled in Black Sea region, although it does not come to a standstill there.

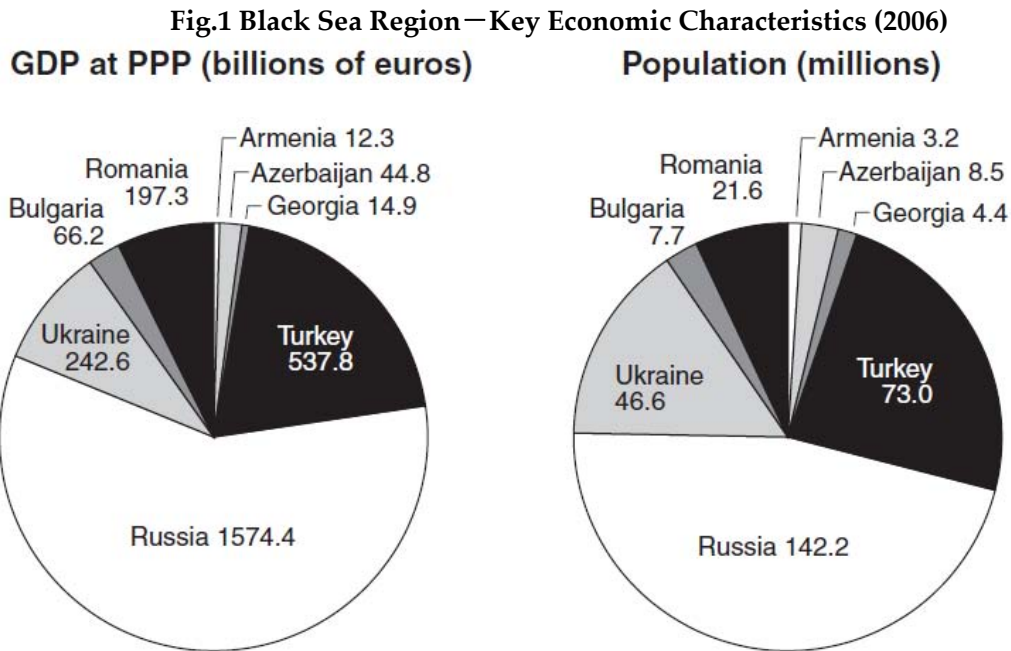
2. Black Sea region as an arena of cooperation between heterogeneous & ‘differentiated’ countries

The EU communication, Black Sea Synergy — A New Regional Cooperation, characterizes Black Sea region as following;

“The Black Sea region is a distinct geographical area rich in natural resources and strategically located at the junction of Europe, Central Asia and the Middle East. With a large population, the region faces a range of opportunities and challenges for its citizens. The region is an expanding market with great development potential and an important hub for energy and transport flows. It is, however, also a region with unresolved frozen conflicts, with many environmental problems and insufficient border controls thus encouraging illegal migration and organised crime.”

In fact, Black Sea region comprises a group of heterogeneous countries with difference of

economic size, institution and integration perspectives (Fig. 1). Although Organisation of the



Source: V. Astrov and P. Havlik, *Economic Developments in the Wider Black Sea Region*, Wiiw Research Report 349, September 2008, p.122.

Black Sea Economic Cooperation (BSEC) was established in 1992, the present level of regional economic integration is rather low because of their economic heterogeneity and political issues. Although Russia, Turkey and Ukraine as larger markets dominate regional trade, the geographic trade patterns do not suggest economic integration of Black Sea region.

At the same time, these countries are 'differentiated' by the relationship with the EU as followings;

- 1) The EU member countries (Greece, Bulgaria and Romania),
- 2) The EU candidate (Turkey),
- 3) Four Common Spaces and Strategic partnership (Russia),
- 4) ENP
 - Black Sea Synergy (Greece, Bulgaria, Romania, Moldova, Ukraine, Russia, Georgia, Armenia, Azerbaijan and Turkey),
 - Eastern Partnership (Moldova, Ukraine, Georgia, Armenia and Azerbaijan).

3. Gravitation of the EU – an emerging 'soft' Empire based on 'multilateral open regional governance'

The gravitational power of the EU is produced by 'Community of institutions' which sustains 4 Communities of market, security, values and region (Fig.2). The boundary line of the EU is fixed by 'Community of institutions' based on *acquis communautaire*. In contrast, the influence of market and values can go beyond the boundary. As neighbourhood countries enjoy 'Community of market' and accept the norm of 'Community of values' (democracy, rule of law and market economy) through ENP on joint-ownership with the EU, there could be development of social capital for good governance which is something in common with the model of the EU. Eventually it could contribute to promote 'Community of security' of the EU

itself. In this sense, the EU is characterized as an emerging model of ‘multilateral open regional governance’. Therefore the EU makes the appearance as a ‘soft’ Empire based on the normative power and ENP strategy (Fig.3). While the EU depends on the flow of oil & gas from neighbourhood countries, the latter were exposed to the flow of neo-liberal ideology

Fig.2 Gravitation of the EU – an emerging model of ‘multilateral open regional governance’

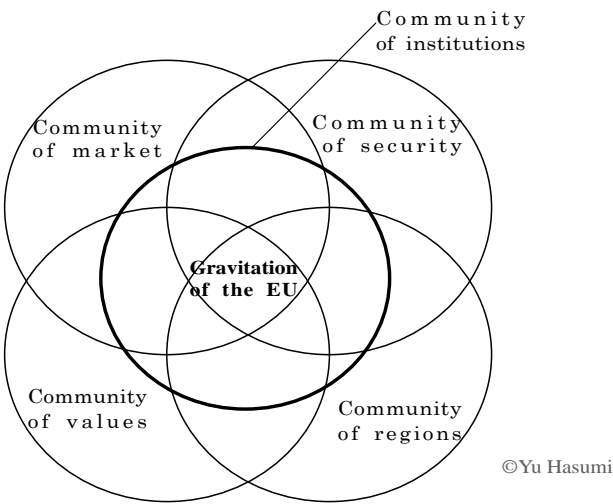
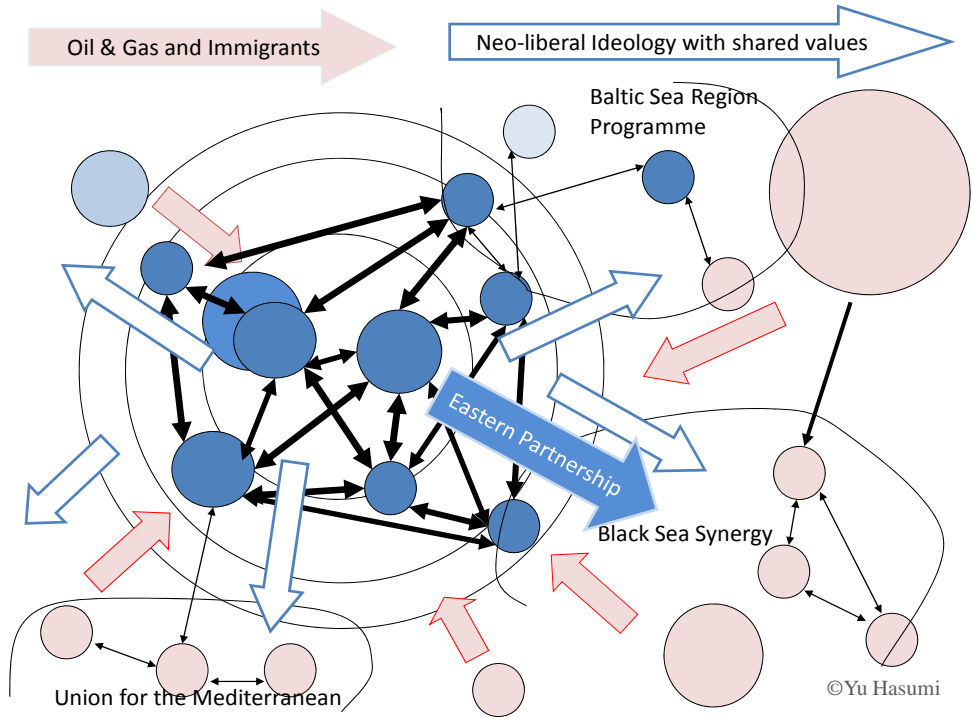


Fig.3 The EU – a ‘soft’ Empire based on the normative power and ENP



with shared values of the EU because of dependence on the EU market (including immigrants).

We can see the same tendency in the EU's strategy paper presented in June 2007, EU and Central Asia – Strategy for a New Partnership, as followings;

“With EU enlargement, the inclusion of the Southern Caucasus into the European Neighbourhood Policy and the Black Sea Synergy Initiative, Central Asia and the EU are moving closer together”. “The EU strongly believes that strengthening the commitment of Central Asian States to international law, the rule of law, human rights and democratic values, as well as to a market economy will promote security and stability in Central Asia, thus making the countries of the region reliable partners for the EU with shared common interests and goals.”

4. Comparison of Black Sea Synergy and Eastern Partnership

As two Black sea littoral states, Bulgaria and Romania, joined the EU, the European Commission presented Black Sea Synergy – A New Regional Cooperation Initiative on 11 April 2007. It promotes the concept of regional cooperation (regional process) on local ownership within the region and on the idea of sectoral partnership (issues of energy, trade, environment, transport, good governance as well as contacts between local authorities) taking into account interests of various actors (Table.1).

As the concept of Black Sea Synergy harmonizes that of the BSEC—most inclusive and institutionalized regional organisation in the Black Sea area, the EU became an observer in it. And the first EU-Black Sea ministerial meeting was held in February 2008. For Russia, the consensus decision-making rule of BSEC was attractive as an instrument for retaining control over the EU's insertion into the Black Sea process. Turkey was perhaps more motivated by having been its political initiator and with Istanbul—the location of its headquarters.

But the EU fails to act as a ‘centre of gravity’ promoting deeper regional integration of Black Sea region as a whole. The multilateral cooperation of the Black Sea countries with the EU is largely confined to sectoral initiatives such as the Interstate Oil and Gas Transport to

Table1 Comparison of Black Sea Synergy and Eastern Partnership

<i>Issues</i>	Black Sea Synergy	Eastern Partnership
<i>Geographical Scope</i>	Greece, Bulgaria, Romania and Moldova in the west, Ukraine and Russia in the north, Georgia, Armenia and Azerbaijan in the east and Turkey in the south	Armenia, Azerbaijan, Belarus*, Georgia, Moldova and Ukraine. *depend on development of EU-Belarus relations
<i>Purpose of Interaction</i>	Development of cooperation <u>within the Black Sea Region</u> on <u>local ownership</u> and also between the region as a whole and the EU* *EU: observer-Organisation of the Black Sea Economic Cooperation(BSEC)	Beyond the ENP bringing a lasting political message from the EU and on <u>joint ownership</u> in order to achieve the objectives of <u>political association and economic integration</u>
<i>Type of interaction</i>	<u>Black Sea wide</u> Regional process Better coordinating Dialogue	<u>EU – 5+1 Eastern countries</u> Enlargement-lite Bilateral track designed to create a closer relationship between the EU

	Region-wide activities Sharing experiences and best practices Confidence - building Setting new legal frameworks in key sectors	and each of the countries concerned and on a multilateral track providing a new framework where common challenges can be addressed.
<i>Instruments</i>	<u>Black Sea wide</u> Existing EU programmes Programmes of regional relevance (TRACECA, Black Sea Commission, etc.) Black Sea Partnerships	<u>EU – 5+1 Eastern countries</u> Differentiated Association Agreements that will contain <u>legally binding commitments on regulatory approximation</u> in trade related areas. deep and comprehensive free trade area , Neighbourhood Economic Community <u>Tailor-made mobility and security pacts</u> Tools: Mobility Partnership, Twinning Projects (TAIEX) Comprehensive Institution-Building programme (CIB)
<i>Financial Support</i>	<u>Black Sea wide</u> Principle of co-financing Community support could be available under the national, regional and cross border programmes of the ENPI For EU members, the Regional Development Fund Regional activities of the EBRD, the EIB	<u>EU – 5+1 Eastern countries</u> EIB and EBRD Neighbourhood Investment Facility (NIF)

Source: revised table of Y. Tsantoulis, Black Sea Synergy and the Eastern Partnership: Different Centres of Gravity, Complementarity or Confusing Signals, ICBSS, *Policy Brief*, No.12, February 2009 9.

Europe (INOGATE), the Transport Corridor Europe-Caucasus-Asia (TRACECA), and the Danube-Black Sea Environmental Task Force (DANBLAS). As a result, Russia, which has larger economic size, could potentially serve as an alternative 'gravity centre'.

After the war between Georgia and Russia, the EU's suffering from disruptions of gas supplies as a result of a dispute between Ukraine and Russia, the EU launched Eastern Partnership on 3 December 2008. Eastern Partnership is different in the basic contents from Black Sea Synergy, although complementarity between 2 strategy and other regional and international initiatives was pointed out in the paper. Eastern Partnership emphasises the differentiation with reference of each partner's ability and aspiration to the EU. Eastern Partnership focuses on deepening bilateral cooperation by offering more profound integration with the EU on joint-ownership between each partner and the EU (for example, Association Agreements with legally binding commitments on regulatory approximation, deep and comprehensive free trade area, tailor-made visa facilitation, Comprehensive Institution Building programme). Therefore it looks like 'quasi pre-accession' or 'enlargement-lite' (See the arrow of Eastern Partnership in Fig.3) .

In the case of Eastern Partnership, there is no reference to the BSEC, no important reference

to Black Sea Synergy and exclusion of some key countries (e.g. Russia, Turkey), which might give flexibility to Eastern Partnership from the viewpoint of the EU, but it undermines the spirit of regional cooperation there and it can create new divisions.

5. Ten Commandments of the EU vs. Ten values of East Asians

–Implications to ‘value oriented diplomacy’ of Japan

Japan’s ‘value oriented diplomacy’ involves placing emphasis on the ‘universal values’ such as democracy, freedom, human rights, the rule of law, and the market economy. Because it is consistent with common values of the EU, cooperation between Japan and the EU will contribute to peace and prosperity in Black Sea region.

Nevertheless, we must not overlook the fact that there is the essential difference in the same

Table2 Comparison of values between the EU and East Asians

10 Commandments of the EU	10 Values of East Asians (EAs)
<ul style="list-style-type: none"> ■ Be democratic and respectful of human rights and the rule of law. ■ The four freedoms of movement (goods, services, capital, labour). ■ Provide for social cohesion between citizens, regions and states. ■ Ensure sustainable economic development for the benefit of future generations. ■ Reject nationalism and favour the multiple identities of citizens. ■ Assure federative multi-tier governance. ■ Assure secular governance and favour multi-cultural pluralism. ■ Promote multilateral order in international affairs. ■ Abstain from threatening or using force against others without just cause. ■ Be open, inclusive and integrative towards <u>neighbours that adhere to the above.</u> 	<ul style="list-style-type: none"> ■ EAs respect education. ■ EAs respect hard work. ■ EAs respect saving and frugality. ■ EAs version of a social contract. ■ Citizens are expected to motivate their children to learn and be self-reliant. ■ <u>EAs practice national teamwork. Government, business and employees work cooperatively.</u> It is related to Triple Helix Model. ■ The press should be free, but it must act responsibly. ■ Every citizen a stakeholder in the country. ■ EAs want their governments to maintain a morally environment for their children. ■ EAs do not believe in extreme forms of individualism. Every individual is a member of a society.
10 Commandments form a framework that has enabled EU to achieve economic prosperity, harmonious relations between citizens, regions and states by <u>institutional integration.</u>	10 values form a framework that has enabled EA to achieve economic prosperity, harmonious relations between citizens by <u>de facto functional economic integration.</u>

Source: by author with reference of followings; M. Emerson, What values for Europe? Ten Commandments, *CEPS Policy Brief*, No.65, Feb. 2005. /P. Dicken, *Global Shift mapping the changing countries of the World Economy*, p. 517.

word - 'value'. It is due to historical experiences and cultural backgrounds. For example, M. Emerson pointed out 10 Commandments of the EU as values for Europe (Table2). Europe can be open, inclusive and integrative to neighbours only on condition that partners accept European values on their own initiatives. 10 Commandments form a framework that has enabled the EU to achieve functional integration that promotes economic prosperity, harmonious relations between citizens, regions and states by institutional integration.

But functional integration can be achieved without institutional integration, even though it will need appropriate institutions eventually as the regional integration progresses. In East Asia, *de facto* deepening of economic relations is rapidly progressing, whereas institutional integration is lagging behind. East Asia's inter-regional trade ratio reached the level of the EU's ratio at the time of the formation of a single market there. P. Dicken indicated 10 values of East Asians as a factor of East Asian Miracle. These values may be just personal morality in contrast with social norm of the EU. Nevertheless, taken together, these 10 values form a framework that has enabled East Asian societies to achieve economic prosperity, progress, harmonious relations between citizens, and law and order with acceptance of diversity and practical national teamwork. It may be deprived from the culture of Polytheism.

In contrast, the EU's strategy, especially Eastern Partnership may be based on the conditionality of values derived from Monotheism. In front of Black Sea region, however, the EU does not lose their way, but is unsettled, which is seen in differences between Black Sea Synergy and Eastern Partnership.

The EU looks like tolerant of different values in the framework of Black Sea Synergy. But, seeing recent assertive manners of Russia, different from European values, the EU could hardly be tolerant and returned to the Monotheism in Eastern Partnership.

Concluding remarks

What can we learn from the EU's strategy to Black Sea region? As already mentioned, EU's approach tends to be restricted by conditionality based on shared values. Its characteristics of the EU promote institutional integration in Europe. But it is not suitable to the region where various Gods get together like Black Sea region. Experiences of East Asia including Japan suggest the other possibility of regional integration based on local ownership. Through ODA, Japan has rich experiences of development by finding the strength inherent in the society with respect of local ownership and team work between companies, government agencies, and other institutions like universities and trade associations.

Japan could be a good adviser to the EU which tends to be Euro-centric even in Black Sea region by suggesting different multilateral viewpoints. The cooperation between Japan and the EU with rich experiences of institutional building in Black Sea region will not only enhance estimate of international contribution of Japan, but also suggest various ideas and instruments for regional integration in East Asia to Japan.

I would like to emphasise finding and making use of strength inherent in the society, not conditionality for improvement of weakness. Based on both 'value oriented diplomacy' and 'acceptance of diversity', Japan will serve as a good adviser to Black Sea countries for stability and prosperity because Black Sea region is an arena of coexistence of different values.

Ivan PETKOV
Special Envoy,
Representative of the Bulgarian BSEC Chairmanship-in-Office

Black Sea Region – Japan: New Developments

Mr. Chairman Ambassador Okawara,
Mr. President Prof. Ito,
Mr. Secretary General of BSEC Ambassador Chrysanthopoulos,
Distinguished Guests,
Excellencies, Ladies and Gentlemen,

I deeply appreciate having the honor and the privilege to be a key note speaker at such an important conference as the Japan – Wider Black Sea Area Dialogue.

It is for the third time that I am coming to Japan and each visit to the Land of the Rising Sun is even more exciting both professionally and personally.

Today we are here to exchange views on the new developments of the cooperation between Japan and the Black Sea Area.

I was born on the Black Sea coast. My home city is Varna – they call it the Summer Capital of Bulgaria. The Black Sea is part of my life and my future is linked to the Black Sea. That is why I was extremely excited when my Minister appointed me as Ambassador at Large on the Black Sea and charged me with a new responsibility – to represent the Bulgarian Chairmanship-in-Office of BSEC at the Permanent International Secretariat in Istanbul.

Now before going into the specific aspects of the prospective of the Japan - Black Sea Cooperation I would like to start by explaining the motto of the Bulgarian Chairmanship, which reads “Bridging Seas, Energizing Cooperation”. We can apply it to the connection between Japan and the Black Sea Region. We both have our Sea, we both promote cooperation. Sea and Cooperation are part of the name of our Organization. These words are the ground work, the foundation of our activities, while the verbs “to bridge” and “to energize” are its engine.

Japan is not a new comer to the Black Sea Region. It has always shown interest in the developments in the area. Japanese companies were involved in building the famous bridges across the Bosphorus, Japanese companies play a leading role in the ongoing construction of the first tunnel under the sea which will connect Asia with Europe; through the Official Development Assistance Japan has been helping the development of the Black Sea Coast Ports by implementing the Bourgas Port Expansion Project and the new container terminals development project at the ports of Varna and Bourgas in Bulgaria and the rehabilitation of the port in Constanca in Romania. The metropolitan railway in the capital of my country Sofia is operating with Japanese financial support and know-how.

Japanese has shown interest in the work of South-East European Cooperation Initiative Regional Center for combating trans border crime in Bucharest; Japan has been actively involved in the development of some offshore oil and natural gas fields in the Caspian Sea, in the constructions of Ceylan Oil Pipeline linking Caspian Sea oil reserves to the Turkish

Mediterranean Sea Coast and then on to Europe; The South Caucasus natural gas pipeline from Azerbaijan to Turkey via Georgia. The Japanese company Sumitomo has been providing high quality pipes necessary for the implementation of these projects.

Tokyo has been actively cooperating with other countries in our region and organizations – for instance – since the beginning Japan was a valuable partner in the Stability Pact for Southeastern Europe, which was recently replaced by the Regional Cooperation Council, based in Sarajevo.

Now what is the actual situation in the Black Sea Area, what has changed since the last two forums of the Japan – Black Sea Area Dialogue which started in 2005?

Today the strategic importance of the Black Sea as a key geopolitical crossroad, linking Europe with Central Asia and the Caucasus is ever growing. In times of global financial crisis the huge economic potential of the area - 20 million sq. km with 330 million people is even more attractive and challenging. Just to mention that in 2009, there are countries in the region whose economic growth rate was 9%.

The latest efforts of the world players to diversify the supply of energy sources are turning to the Black Sea Region which is an important transit route for Europe and elsewhere. There are heated discussions about the future of the pipeline projects such as Nabuko, South Stream, Bourgas – Alexandroupolis. AMBO (linking Bourgas on the Black Sea with Vlorë at the Adriatic Sea), TRASEKA, Samsun – Ceyhan oil pipeline and so on.

The three-year-old accession of Bulgaria and Romania to the European Union is a major geopolitical change since already the Baltic Sea and the Black Sea are the borders of the European Union. The European Union itself is going through deep changes. The Lisbon treaty which recently entered into force provides for the construction of a stronger united and more powerful European Union capable of playing a key role in international politics. The presence of EU in the Black Sea Area as one of the major players will be a strong driving force to further promote the regional cooperation. The European Union is in deep need to upgrade energy efficiency, develop clean technologies and diversify its sources to grow a competitive, low carbon economy. The 27-nation union has set a target to get 20% of its energy from renewable resources by 2020, more than double the current share. Brussels also intends to expand the use of climate friendly technologies. By no coincidence one of the priorities of the Bulgarian Chairmanship-in-Office of BSEC is the intention to draw the European Union's attention more actively to the Black Sea Region; the BSEC- European Union interaction is directed towards a pragmatic, project oriented, result-based cooperation for resolving the most outstanding issues in the economic development of the region and this will inevitably foster dialogue and mutual understanding. In this light we believe that three directions of the European Union-BSEC dialogue are essential.

First - the Sectorial Partnerships in the frame of the Black Sea Synergy will be launched soon. I am very happy to inform you that during the last EU-BSEC meeting on the 14 December 2009 the European Commission announced that the partnership on Environment would be launched on March 16, 2010, while that on Transport will be launched on June 25. The date of the launching of the Energy partnership will be announced at a later stage. The aim is to gather financial support for common projects in priority areas of cooperation such as Energy, Transport and Environment for all interested stakeholders from the BSEC with the active participation of the three countries which are both BSEC and EU member states – Bulgaria Greece and Romania.

Second - the necessity of effective participation of the European Commission as an Observer to BSEC and of involving more actively the other EU member states with an Observer or Sectorial Partner Status to BSEC, namely Austria, Germany, Italy, Poland, Slovakia, France, The Czech Republic, United Kingdom as well as the Swedish and the

Spanish Chairmanships-in-Office of the EU; and

Third - the efforts of strengthening of BSEC-EU dialogue through meetings in Brussels in the framework of COEST working party. In this part Bulgaria has proposed to the Swedish and Spanish Presidencies such BSEC-EU meetings during our Chairmanship-in-Office. The first meeting already took place and was crowned by success.

Additional asset for the region as a whole is the Strategic Partnership which is being developed between European Union and the Russian Federation.

Bulgaria believes that the importance of the contacts between the local and regional authorities in the Black Sea Region should be underlined as well. We believe that the Black Sea – Euro region established in Varna in September 2008 under the auspices of the Council of Europe in Strasbourg, could contribute for the practical regional economic cooperation.

BSEC's think-tank - The International Center for Black Sea Studies has prepared a thorough study which gives a deep analysis and explores the perspectives for the cooperation between EU and BSEC. This guiding document on the future steps is titled Black Sea Regional Strategy (2010-2013) - Promoting a region – wide interaction between the BSEC and the EU.

Another important development and an area of global concern, where Japanese interests coincide with that of the Black Sea Countries, are the security issues.

What are the concrete spheres for cooperation here - expanding cooperation in the areas of security and stability and to combat organized crime, illegal migration, terrorism, money laundering, illegal traffic of human beings, fight against domestic violence.

Another factor of the changing environment in the modern Black Sea world is the stepping up of the efforts to render BSEC relevant and adequate to today's challenges and to unlock the potential for regional cooperation. When working on the calendar of events we were guided by the following principles: continuity, inclusiveness, and different geometry. Following the logic of the aforementioned principles we are going to keep on improving the functioning of the organization for further increasing its operational activities and its capacity. We will pursue the project and value- added orientation of the working groups, focusing of the efficiency of the Project Development Fund. Up on our agenda is the development of the regional transport infrastructure. The memoranda of understanding for the coordinated development of the Black Sea Ring Highway (7,000km) and the development of the Motorways of the sea offer us a legal basis for enhancing the cooperation among us thus creating new opportunities for sustainable economic development. I am convinced that the participation of the Japanese companies in these impressive projects will be highly appreciated.

In the area of “soft security” measures, we believe that a working visit in the Black Sea Border Coordination and Information Center in Bourgas will be of interest for all BSEC member states and not only for the littoral states. The aim is to contribute to strengthening the efficiency of border management.

Very encouraging is the sustaining interest of the United States of America (an Observer to BSEC), to the Black Sea Region. The United States Agency for International Development, which is an independent federal government agency and the United States Energy Agency, an association of public and private energy-related organizations and government agencies are actively participating in the discussions on the Energy field. Recently they have contributed a substantial report for the development of the electrical networks interconnection projects in the Black Sea Region.

A higher level of cooperation was reached in establishing closer ties with other important organizations. In 2009 BSEC became a friend of the UN Alliance of Civilizations; a Memorandum of Understanding on Cooperation between the Permanent International Secretariat of the Organization of the Black Sea Economic Cooperation and the Central

European Initiative – Executive Secretariat is being prepared.

The picture will not be complete if we fail to mention the vast possibilities of cooperation between Japan and the Black Sea countries in culture, tourism, sport, etc. The importance of our region is emphasized by the fact that Istanbul is the European Capital of Culture for 2010; 2010 is the year of Japan in Turkey. In the Bulgarian Chairmanship's calendar of events, a place is reserved for Tourism. We organized in the end of last year a highly successful session of the Working group on Tourism. Our region is famous for ancient civilizations, beautiful country sides, fantastic sunny beaches, brand new ski resorts, rich cuisine and cultural diversity. For example, in the Archeological museum of my home city Varna one can admire the oldest processed gold in the world – 6 000 years of age.

The free circulation of people, goods and services in our region, is constantly developing. A boost in this direction was marked by the recent opening of a new cross-border check point – the forth between Greece and Bulgaria. There are two big forthcoming sport events in our Region – Winter Olympic Games in 2014 in Sochi on the Black Sea Coast in the Russian Federation and the European Soccer Championship that Poland and Ukraine will organize jointly in 2012.

Ladies and Gentlemen,

The times when the Japanese foreign policy towards the Black Sea Region was cautious should be over. Faithful to the universal values, such as democracy and market economy Japan would only benefit if it is even more actively involved in the Black Sea Region, and strengthens its ties with Brussels and coordinate its approach toward BSEC area. I have heard Japanese friends say that in the modern world a single country, no matter how powerful and rich, can not survive at the top alone. All we need are serious partners, interdependent and mutually beneficial contacts and fruitful cooperation. The Bulgarian Chairmanship-in-Office shares the opinion that it would be very beneficial to both Japan and the Black Sea Region if the question of granting an Observer status of Japan to BSEC finds its successful solution in the near future. As a global player and a leading economic power, a country with a well known expertise in environmental matters, water management, pioneer in cutting-edge science and technology, institutional renewal and good governance, seismic protection, impressive track record of inter cultural and inter faith dialogue, Japan could play a vital role in upgrading peace, stability and cooperation in the Black Sea Area.

Bulgaria supports the objective of Japan to become a permanent member of the UN Security Council and will do everything it can to realize this goal in order to allow Japan to take the place it deserves in the international arena.

In conclusion I would like to wish success for the cooperation between wider Black Sea Area – Japan, good luck to the famous sumo wrestlers from the Black sea area – the Bulgarian Koto-oshu, the Georgian Kokkai and Tochi-no-shin and the Russian Aran, as well as prosperity for all our friends.

Finally, I would like to express my gratitude to the Global Forum of Japan and the Ministry of Foreign Affairs of Japan for the excellent organization of this prestigious event and warm hospitality accorded to me and all other participants and guests. Thank you very much for your attention.

V Minutes of Discussions

Opening Session

Opening Remarks

ITO Kenichi, President, Global Forum of Japan

Secretary General Leonidas Chrysanthopoulos, Ambassador Ivan Petkov, Mr. Tanizaki Yasuaki, Chairman Okawara Yoshio, Distinguished Participants, Ladies and Gentlemen,

It is my greatest pleasure to announce the opening of the Third "Japan- Black Sea Area Dialogue." When I announced the opening of the First "Dialogue" in November 2005, i.e. five years ago, few in Japan were aware of the presence, much less the importance, of such an Area as called the "Black Sea Area." I had to admit that the Black Sea Area and Japan were separated from each other not only by the physical but by the mental distance as well. However, it is not the case anymore. After having held the two "Japan-Black Sea Area Dialogues" in 2005 and 2007, we have first become neighbors and then friends.

On the foundations of the deepening of understanding between Japan and the Black Sea Area as having been achieved by the two previous "Dialogues," I would like to expect this Third "Japan-Black Sea Area Dialogue" to discuss more concretely on what role Japan can and should play for the peace and prosperity of the Black Sea Area. In the year of 2008 following the year of 2007 in which we had the last "Japan-Black Sea Area Dialogue," we saw two very serious events affecting the course of our actions. One is the global financial crisis triggered by the collapse of Lehman Brothers, Inc. in September 2008. The magnitude of the crisis is, according to some economists, unprecedented in the past one hundred years. And the crisis still lingers in many parts of the world including both Japan and the Black Sea Area. Another is the military conflict which took place between Russia and Georgia in August 2008. Though we, Japanese, are outsiders of the incident, and are located far away from the place of the conflict, we could not but have worried about the developments and share a common concern about the incident with the rest of the world.

Before concluding my opening remarks, on behalf of the Global Forum of Japan, I would like to thank its role as a co-sponsor, the Organization of the Black Sea Economic Cooperation (BSEC) for the Tokyo Club and the Japan Foundation for their financial supports and the Ministry of Foreign Affairs of Japan, Embassy of the Republic of Turkey in Japan, Embassy of the Republic of Bulgaria in Japan and the University of Shizuoka for all the contributions they made to the success of this "Dialogue."

Opening Remarks

Leonidas CHRYSANTHOPOULOS, Secretary General, BSEC

Allow me at the outset to thank you, President ITO, for your opening remarks and your initiative to host for the third time in Tokyo the Japan-Wider Black Sea Area Dialogue. The Global Forum of Japan, since its creation in 1982, has made important contributions to international dialogue and understanding through its activities. The Japan-Wider Black Sea Area Dialogue demonstrates the increased interest of Japan to our region, also proved by Japan's application to acquire observer status within BSEC.

I am most pleased to inform you that the contacts between BSEC and Japan are developing.

Cooperation was initiated in 2009 with the Japanese Development Agency (JICA) and is currently underway. Following the discussions between JICA, the energy authorities of Turkey and the BSEC Permanent International Secretariat, a joint BSEC-JICA Workshop on Energy Efficiency is being planned for this year. This will constitute BSEC's first joint project with Japan. This workshop will promote exchange of knowledge, best practices and new techniques for the benefit of the policy makers and experts in the BSEC Member States.

Let me take this opportunity to briefly share with you some of the activities and projects of BSEC which are of significance of our region: BSEC has two flagship projects in the area of transport. These are the Black Sea Ring Highway project and the project on the development of the Motorways of the Sea in the BSEC region. They are related to the development of transport links in the region. They are expected to do much to foster intra-BSEC trade, as well as tourism, infrastructure and transport investments and economic prosperity among the countries of the Black Sea. Most importantly, they will make a concrete difference in the lives of the people of the region and bring them closer together.

The Black Sea Ring Highway project envisages a four-lane ring highway system, approximately 7100 km long, to connect the BSEC Member States with each other. The project on the development of the Motorways of the Sea in the BSEC region, on the other hand, is about strengthening the maritime links among the ports of the BSEC Member States.

Besides transport, one of the areas where the potential of Black Sea economic cooperation is most visible is in the area of trade. Currently, intra-BSEC trade and investments are not at the desired level. Therefore, various initiatives have been launched within BSEC to contribute to the improvement of the trade situation. BSEC is also working with the United Nations Development Programme (UNDP) on this matter.

In addition to the two flagship projects in the area of transport, the Memorandum of Understanding on the Facilitation of Road Transport of Goods in the BSEC Region, which went into force in 2006, is another concrete step taken by the BSEC countries to facilitate regional trade.

Recently, important additional steps are being planned in the area of the facilitation of the road transport of goods, which are also expected to contribute to trade relations in the region. Within this framework, a pilot project on the establishment of a BSEC permit system for the road transit of goods has been prepared. The implementation of this pilot project will start on 16 February 2010, with the participation of seven BSEC Member States. This permit system is expected to facilitate the work of the road transporters and simplify border crossing procedures in the region. With this project, BSEC will become the first regional organization to issue such transit documents.

BSEC is viewed by the international community as an anchor of cooperation in the Black Sea area today. Germany, Austria, France, Italy, Poland, the Czech Republic, Slovakia, Belarus and Croatia, as well as non-European countries such as the United States, Egypt, Tunisia and Israel have Observer status in BSEC. The UK, Hungary, Montenegro, Iran and Jordan, on the other hand, as well as various regional organizations, have Sectoral Dialogue Partnership status.

The Commission of the European Communities became an Observer in BSEC in 2007. Since then, the Ministers of Foreign Affairs of the European Union and of the countries of the wider

Black Sea area came together for the first time in Kyiv in 2008, during which the Black Sea Synergy was launched. Currently, a new period of enhanced relations between BSEC and the EU is underway. Partnerships on environment and transport within the Black Sea Synergy will be launched in March and June 2010, respectively. Partnership on energy is being shaped.

In concluding my remarks, I would like to say that BSEC's activities and projects are growing and starting to bring about concrete results. BSEC's relations with other organizations and states are also developing. Hopefully, with our joint efforts, the ties between Japan and the Black Sea will be enhanced for the benefit of our peoples and nations.

*Opening Remarks Ivan PETKOV, Special Envoy, Representative of the Bulgarian
BSEC Chairmanship-in-Office (on behalf of the Chairmanship of BSEC)*

On behalf of the Bulgarian Chairmanship-in-Office of the Black Sea Economic Cooperation I would like to welcome you to this distinguished Third Forum of the Japan-Black Sea Area Dialogue in the fascinating city of Tokyo.

I am confident that during today's discussions deep analysis, bright ideas, interesting exchange of views and wise conclusions will help us clear the picture of the current state of affairs and foresee the future perspectives of the relations between Japan and the Black Sea Region. The strategic significance of the Black Sea Area is constantly growing and the upgrade of the Japanese involvement in the region will promote the peace, stability and cooperation in this important part of the world.

Special thanks go to the Global Forum of Japan and the Ministry of Foreign Affairs of Japan for the excellent organization of the Forum and the warm hospitality to all the participants and guests in this prestigious event.

I wish you good luck, tangible results and prosperity for us all.

Opening Remarks *TANIZAKI Yasuaki, Director-General,
European Affairs Bureau, Ministry of Foreign Affairs of Japan*

It gives me a great pleasure to speak at the opening of the 3rd Japan-Black Sea Area Dialogue. This Dialogue provides a unique opportunity for Japan and all countries from the wider Black Sea area to get together and discuss such important theme as the changes in the region and the role of Japan. I would like to thank the co-organizers for their efforts in making such a forum possible.

Today I am going to speak about Japan's policy towards the Black Sea area. I will first touch upon why the area is important for all of us, and especially from the Japanese foreign policy point of view. Then I will move on to explain our actual policy measures along our four main objectives: realizing the "Sea of Potentials"; enhancing connectivity throughout Eurasia; consolidation of vibrant society with wide range of participation; and cooperation on common challenges.

First, why this area is important for the world and for Japan. Let me explain this to you using

the key terms: “crossroad” and “bridge.”

“Crossroad” is a term that best describes the critical importance of the Black Sea area, which connects Europe, Central Asia and the Middle East, as well as civilizations, peoples and religions. With the population of 350 million people while being at the crossroads of energy transportation routes, geopolitical and strategic importance of this area can never be overemphasized.

Peaceful and prosperous Eurasian continent is a common goal for Japan and all Eurasian countries. Japan has been actively contributing to this goal through its assistance to the West Balkans, Central Asia and the Middle East, but it cannot be achieved without peace and prosperity of the Black Sea area, which lies at the crossroads of other regions of Eurasia.

In pursuing further peace and prosperity of the Black Sea area, regional cooperation holds the key. We know of various frameworks of cooperation in the region, and most notably the Organization of the Black Sea Economic Cooperation or BSEC. With the progress seen recently in the relationship between Armenia and Turkey and other constructive moves in the region, time is ripe for strengthening regional cooperation.

Now we come to Japan. Last September, right after assuming the primeministership of Japan, Prime Minister Hatoyama gave a speech at the United Nations General Assembly. There he pronounced the role of Japan as “a bridge between the East and the West,” “between the Orient and the Occident, between developed and developing countries and between diverse civilizations.”

The Black Sea area is the precise example of such diversity and complexities he talked about. BSEC also holds up a strikingly similar motto “Bridging Sea, Energizing Cooperation.” This shows why we are ready to play a constructive role in the area and in what way.

Japan has been building close relationship with individual countries in the area as part of our efforts to expand our diplomatic horizons. This is an important aspect of Japan’s foreign policy as a key member of the global international community with a matured sense of responsibility.

The evidence, the recent diplomatic activities of Japan, shows that Japan has been putting particular emphasis on the relationship with the Black Sea area. Since assuming his office, Foreign Minister Okada has paid visits to Russia and Turkey. In the year 2009 alone, we had the honor of receiving the President of Bulgaria, the Prime Minister of Ukraine, as well as the Foreign Ministers from Georgia, Azerbaijan, Armenia and other countries directly connected to, and deeply interested in the Black Sea area like Serbia. I also often visited this region, like my trip to Romania last summer, to exchange views and explore the possibility for further cooperation. Japan will continue to expand such bilateral ties, while playing further role in facilitating regional cooperation.

Let me now turn to the second point, that is, Japan’s policy measures towards the Black Sea area. We have four objectives.

The first objective is to enhance the economic development of the Black Sea area, which is the “Sea of Potentials.”

In the Greco-Roman period, the Black Sea was called “Euxeinos Pontos” or a hospitable sea. Today, it should be called the “Sea of Potentials,” considering the huge potential of development that the neighboring countries have. Based on this belief, Japan has been providing development assistance to expand trade and the movement of people by large-scale infrastructure projects. To take a few recent examples, the Port of Constantza-South in Romania was reconstructed using Yen Loans so that it can serve larger vessels. Also in Bulgaria, Japan is to provide Yen Loans to the New Container Terminals Development Project at the Ports of Varna and Bourgas. An undersea tunnel is now under construction across the Bosphorus Straits to enable faster and safer transport.

Private investment also plays a very important role in the Sea of Potential, which has a market of 350 million people and rich in energy and mineral resources. Since 2003, the number of Japanese companies in the area has increased by 50%. I believe such investment brings mutual benefits to both sides.

The financial and economic crisis that hit the globe did not spare the “Sea of Potentials,” but there is already a sign of recovery. During the crisis, Japan provided assistance to the countries such as Ukraine through IMF. To consolidate the recovery, however, what is required is regional cooperation.

My last point on economic development is that the undiscovered attraction of the Black Sea should be publicized to the world to attract tourists and investors alike. The Black Sea area, together with neighbouring countries of rich history, beautiful sceneries and delicious food and wine like Greece, Albania or Georgia, can offer splendid destination for Japanese tourists. For helping this, Japan organized a tourism promotion workshop in 2009 for four countries in the area. I am convinced that the 2014 Winter Olympic Game in Sochi helps this in a big way.

The second objective is to enhance connectivity throughout Eurasia. When you see Eurasia as a whole, the Black Sea is at the core of the continent. By enhancing connectivity through the Black Sea, the region as a whole will be benefitted. This is the thinking behind Japan’s assistance provided to both eastern and western sides of the Sea. On the western side, our assistance improved a number of ports and harbors as I mentioned already. On the Eastern side, East-West Highway Improvement project is under way in Georgia. These projects, together with Japan’s other infrastructure projects in Central Asia as well as the Trans-European Corridor 10 Motorway by the EU, will greatly enhance the connectivity throughout Eurasia for the benefit of all.

The third objective is to consolidate vibrant society to which all the social groups actively participate. Enhancing economic development is important on one hand, but it should coincide with supporting reform efforts and consolidation towards vibrant society. For this reason, Japan has been providing active supports to the countries in the area. We have dispatched election monitors to various countries in the region, where reforms are pursued with vigor. We have been supporting the next generation by providing lecturers as well as financial contribution to bring up vibrant society. In this context, we are engaging in the School of Political Studies projects in Ukraine and Azerbaijan in close cooperation with the Council of Europe.

Now I come to the fourth and the last objective of our policy measures towards the Black Sea area: to cooperate on common challenges. In today’s world, we are faced with common issues

of global nature ranging from security issues to environmental issues. The wider Black Sea area is vibrant with various regional cooperation frameworks, led by BSEC, GUAM, the Community of Democratic Choice (CDC), to name a few. There are also issue-wise fora such as Blackseafor and Black Sea Harmony on the security issues, and on trans-border crime, Southeast European Cooperative Initiative (SECI) Regional Center. We are keen to continue our dialogues and cooperation on common issues, building on these existing efforts and frameworks.

In summing up my presentation, I would like to reiterate that Japan places priority in overall foreign policy on cooperation with the Black Sea area. And Japan is ready to be engaged with enhanced dialogue and further concrete cooperation. Wishing that today's dialogue will be able to provide creative and forward-looking ideas to that end, I should like to close my remarks.

Session I "Strategic Implications of Security in the Black Sea Area"

Co-Chairperson

OKAWARA Yoshio, Chairman, GFJ

This is the Third Dialogue between the Black Sea region and Japan. It is very significant that we have had two meetings before, and this is the third meeting, meaning that we know each other pretty well and we can engage in a very interesting dialogue session. We can expect very positive and progressive dialogue, on the basis of the results of the meetings in the past. There are a lot of developments in this area, including such unhappy, situations of military conflict between Russia and Georgia, nonetheless, as already mentioned by our keynote speakers, we can expect very promising cooperation between the Black Sea region and Japan.

Co-Chairperson

Leonidas CHRYSANTHOPOULOS, Secretary General, BSEC

BSEC was launched back in 1992 after the collapse of the Soviet Union, at a time regional cooperation was most needed. Underlining idea was that strong economic cooperation among the countries of the Black Sea region would enhance the stability and security of the region. Transport, energy, economic development, education, cultural tourism, science technology are among the most active fields of cooperation, within the frame work of the organization. In addition, BSEC is also a platform for political dialogue for its developmental states. It has a valuable potential to contribute indirectly to the political processes of the region through providing opportunities for interactions among the member states. As the security situation of the region has remarkably been ameliorated, the Black Sea area has turned into a region, which serves as a strategic transport of energy within Eurasia. The quest for the diversification of the energy sources has been vividly significant in its development, especially after the 9/11 and the wars in Afghanistan and Iraq, when the search for alternative energy resources to those of the Middle East have started. With the existing plant for oil and gas pipeline projects, the Black Sea region has become a prime energy supply route. As far as the region's political significances is concerned, this region has gained an identity of being Europe's final opening to the East. After 9/11, the fight against terrorism has also increased the political and strategic significance of the Black Sea region. Finally, we must acknowledge the frozen conflicts which have recently turned into active ones, and constitute the main obstacles to enhance cooperation in the region. The BSEC Charter has to be so amended that we can directly and comprehensively address security

issues of the Black Sea area.

Keynote Speaker *Mithat RENDE, Director General, Economic Affairs, Ministry of
Foreign Affairs of Turkey (Turkey)*

The Black Sea is an important and strategic Sea, having a unique position with two narrow outlets to the open seas through an inner sea. The Black Sea, as such, has not been a sea of conflict during the Cold War, mainly due to the balance of power which was carefully established by the Montreux Convention. With the end of the Cold War, the Black Sea area underwent a major transition. The region has witnessed the expansion of both NATO and the European Union. Today, the integration of the Black Sea countries into the Euro-Atlantic institutions is still underway.

Our approach to security is multi-dimensional and not limited to hard security concerns alone. Climate change, for instance, is a global problem also evolving into a security issue in its own right, with serious implications in many fields. The current financial crisis speaks for itself when we look at how badly it affected economies worldwide. The Black Sea region involves a number of hot and frozen conflicts such as Nagorno Karabagh, Abkhazia, South Ossetia and Trans-Dniestria, energy security issues, and other broader challenges.

The underlying philosophy of Turkey's Black Sea security policy is in harmony with the policies and attempts to reach out its neighbors bordering Turkey. We enjoy very good relations with other Black Sea littoral states like Romania and Ukraine. Russia has also evolved into being Turkey's biggest foreign trade partner. We fully cooperate with Russia in many fields ranging from construction to energy issues.

The existence of frozen conflicts in the region is a major source of concern for Turkey. The clashes that have occurred in the summer of 2008 in the Caucasus have clearly demonstrated that the frozen conflicts of the region could easily lead to war. It also showed the need for a dialogue platform that would assist in overcoming mistrust. This is why Turkey has initiated the creation of the Caucasus Stability and Cooperation Platform and the BLACKSEAFOR. The latter has been designed as a mechanism to help building confidence among littoral states through activities jointly carried out in areas such as humanitarian aid, search and rescue, and environmental protection. In addition, in 2004, the Turkish Navy initiated the Operation Black Sea Harmony (OBSH) which was designed to synchronize the Black Sea's security environment with the global efforts against asymmetric risks and threats.

BSEC has reached an institutional maturity, and is now the most established and comprehensive cooperation organization in the Black Sea Area. Despite the difficult times that the region has been going through recently, such as in the case of the Russian-Georgian conflict of 2008, BSEC meetings have continued to take place in a friendly and constructive atmosphere. The cooperation within BSEC has not reached its true potential yet, particularly because of the fact that its members have had diverging priorities. However, the interests of the BSEC Member States have begun to converge in recent years and they are now able to develop common strategies and approaches on various areas, such as energy, transport and protection of the environment.

From an energy security perspective, it is very important to have constant and uninterrupted flow of energy resources from the producing countries to the consuming countries, for Europe and the stability of the region as a whole.

BSEC members possess the world's largest oil and gas reserves after the Middle East. Russia is the world's largest oil producer after Saudi Arabia. The region has the largest gas reserves in the world. Therefore, it is important to have these resources be transported via the Black Sea area to the European markets. In this regards, we have established many pipeline, of some which are still under on-going progress.

Turkey is making every effort to enhancing confidence and strengthening peace and prosperity in the region and on a wider scale. In today's world, engagement has proven to be the most effective mechanism in uniting nations around universal values and interests. Having said so, enhanced cooperation in the Black Sea region with the involvement of the EU, Japan and other interested stakeholders who uphold universal values, such as democracy, peaceful engagement and rule of law will generate not only economic benefits, but also contribute to the building of confidence and stability in the region.

Keynote Speaker

MUTSUSHIKA Shigeo, Professor, University of Shizuoka

The geo-strategic features of the Black Sea Region, being situated among the Balkans, the Middle East, and Central Asia, have increased its strategic significance, especially militarily. As a result, there has been competition between Russia and the US in increasing military power. In addition, as the region is situated right on a horizontal line connecting the Mediterranean, the Balkans, and Afghanistan – where NATO has been carrying out military operations – NATO has been strengthening cooperation with the Black Sea non-NATO member states through PfP, PARP, IPAP and the Intensified Dialogue for accession to NATO.

In geo-economic aspects, the region also has great advantages. As it is located between Europe and the Caspian Sea–Central Asia, where there are rich reserves of oil and natural gas, the Black Sea Region can become an energy transportation corridor from the Caspian and Central Asia to Europe. Thus, it is obvious that Russia wants to monopolize this transportation route in order to increase its profits, whereas Europe and the US want to diversify the route in order to assure stable transportation of cheaper oil and gas. In addition to the established pipelines, Russia has constructed the North Stream and Blue Stream pipelines, and is now attempting to construct the South Stream gas pipeline. On the other hand, the West has constructed the BTC oil pipeline and the BTE gas pipeline, and is attempting to construct the Nabucco gas pipeline from the Caspian region to Austria through Turkey, Bulgaria, Romania and Hungary.

The third characteristic feature of the Black Sea region is the geo-political one. The region is situated “between the great powers” and this has caused instability and underdevelopment in the region. Due to this historical instability, combined with the collapse of the Soviet Union, the northern and eastern parts of the Black Sea region have developed soft security issues, such as human trafficking, organized crime, and so on. Furthermore, the so-called ‘Frozen Conflicts’ issues have taken root in the region as the new independent states of the former Soviet Union have to struggle with state and national building as well as democratization and the market economy. Therefore, the EU, which has common borders with the Black Sea region, was forced

to make efforts to stabilize the region through the ENP, Black Sea Synergy, and the Eastern Partnership.

In addition, the geo-political fact that the Black Sea region is situated “between the great powers” has historically caused a power struggle among the great powers over the Black Sea region. The great powers have attempted to dominate and to fill any power vacuum in the region. So, the tug of war between the EU, NATO, and the US on the one hand, and Russia on the other, has intensified in the Black Sea region.

The final characteristic feature of the region is its diversity. Turkey and Russia are the dominant actors in the region. Some countries are NATO members, while others are not. Some are EU members, others are candidates, but for others, future member status has not been promised. Thus the Black Sea countries have never been united and have never behaved monolithically in the international arena. However, Black Sea international politics have converged into two confrontational tendencies of “status quo” and “revisionism”, reflecting the structure of Wider Europe international politics. This is because the Black Sea region constitutes a sub-system of the Wider Europe international system. And this international structure composed of status quo and revisionism in the Black Sea region can be discerned not only in the dimension of relations between the Black Sea states, but also in sub-national, trans-national and regional dimensions around the Black Sea region. Therefore, we should take a comprehensive multi-dimensional approach to analyzing Black Sea international relations.

Lead Discussant A Aurelian NEAGU, Ambassador of Romania to Japan (Romania)

The August 2008 war between Russia and Georgia reinforced the need to strengthen security in the most classical way, addressing the so called “hard security” concerns. Debates about Adapted CFE Treaty, Istanbul commitments, and anti-missile defense covering the whole NATO territory, all have important and direct links with the strategic outlook of the Black Sea region, because this region displays a concentration of ‘frozen’ conflicts. The very existence of several unidentified territories, which are not entirely recognized by the international society, is a threat to stability in the region and in adjacent areas.

Frozen conflicts can be seen as an expression of the intricate realities of the Black Sea area. There are differing views on how to best deal with frozen conflicts in the region, but the danger of conflicts unfreezing in a violent way, as was very obvious in the summer of 2008, should make us more alert on the need for well-timed solutions. Soft security concerns persist as well, under the shape of trafficking of counterfeited goods, drugs, weapons, human beings, the existence of environmental threats and manmade disasters.

In order to strengthen security, one must bear in mind the geopolitical competition between the major actors in the Black Sea Region. While there are objective and historical limitations to cooperation and interaction (between Russia and the West, for example), especially on hard security issues, there is a significant and largely unexplored potential for cooperation in other fields, which are more beneficial to communities and governments in the region.

In Romania’s view, the Black Sea region has been, for too long, the missing piece of the puzzle within the neighborhood policy of the EU. There are objective reasons to explain the lack of

enthusiasm in Europe about this region in the past, such as the complexity of problems in the area, since often challenges have largely outweighed the opportunities in the eyes of the Westerners. From this perspective, the Lisbon Treaty and the reform of in the area of EU foreign policy can bring a substantial change and Romania will actively promote it.

We think that the EU needs to define its security interests in the Black Sea area and based on these interests, to fully use the existing schemes of regional cooperation, in order to make them proficient tools in supporting the efforts that would promote stability and development at the borders of EU.

This could be done through a range of instruments, among which the Eastern Partnership, the Black Sea Synergy, specific policies in areas like environment, migration, integrated maritime policy. The European Security Strategy and its implementation in the future can also play a role, by expressing the concern of member states towards the common threats to stability and security in the Black Sea area.

We should not underestimate their importance of soft security issues. The need for stability, adoption of democratic values, the need to strengthen economic and energy security; as well as the partners' wish to draw closer to the EU call for assistance and guidance from the EU, for mutually beneficial joint initiatives, and also for EU openness to responding to the specific needs and aims of its Eastern neighbours.

For Romania, the Black Sea region is a well-known, long-standing foreign policy priority. Romania's main goal in the Black Sea area is to promote stability, security and prosperity. This is not surprising or new, the novelty which we can bring to the issue of regional cooperation relies in the political approach and in the method to achieve these goals.

1. We stress the importance of regional cooperation, but not any kind of regional cooperation.
2. We think the right way or the beneficial way, for the region, is to have regional cooperation closely linked to European and Euro-Atlantic values and processes of cooperation.

The two assumptions are key to our national strategy addressing the Black Sea region. They are expressed in two different, though related processes: getting EU and NATO more involved and committed to cooperation projects in the Black Sea and putting the area and its many complex realities onto the EU and NATO agendas. This is done in close dialogue and cooperation with all our regional partners. Regional involvement remains a key ingredient for success.

Romania believes that any regional cooperation framework in this area should not only stimulate relationships within the region, but also encourage links with other areas – Black Sea is essentially an area of crossroads and this is precisely what might forge its own identity in the future.

The multiplying cooperation initiatives in the region, as well as reinforcing existing ones, will bolster regional stability and development in each of our countries and in the wider Black Sea region. This is an integral part of bringing the Black Sea area closer to the EU and the EU closer to the Black Sea.

To summarize, Romania encourages cooperation in the Black Sea region, based on transparency, complementarity, and inclusiveness, through the efficient use of existing initiatives and

mechanisms, as well as the development of dialogue and cooperation between the countries in the region and NATO, in compliance with the Bucharest and Strasbourg/Kehl Summit Declarations regarding the Black Sea region.

In order to promote cooperation in this domain, Romania takes into account the following principles: a) the necessity to consider and highlight the existing initiatives and formats of cooperation, avoiding therefore any duplications; b) maintaining an open and inclusive character of these initiatives, with the possibility to engage 'third' countries willing and able to participate in the process of Black Sea regional cooperation; c) intensifying cooperation between countries in the region and international organizations, such as NATO and EU, including through the use of open and transparent mechanisms of dialogue and cooperation between the regional initiatives and those organizations.

Lead Discussant B

*NAITO Yasuo, Deputy Director, "Sankei Express"
(former Moscow Bureau Chief, The Sankei Shimbun)*

It is strange to say that both Japan and the Black Sea region have the territorial dispute with Russia. For example, in case of Georgia, since the "Five day War against Russia" which occurred in August 2008, Georgia has completely lost control over its two ethnic separatist regions of South Ossetia and Abkhazia. According to the European Union's report on the conflict, which was published last September, both Georgia and Russia are to be blamed. But as the consequence of war, Russia has recognized those two Georgia's small ethnic regions as the sovereign state and became the sponsor of these two regions.

As for Japan, we are having a Northern Territory problem, the "Hopporyodo Mondai" in Japanese, with Soviet-Russia for almost 65 years. They are the Iturup, Kunashiri, Shikotan and Habomai islands and the Russians call it South Kuril Island. Stalin's Soviet Red Army invaded Japan's territory soon after Japan has been defeated WWII, regardless of Japan and Soviet Union's pact of neutrality at that time. Japan didn't declare a war against the USSR. After occupying the four islands, Soviet-Russia expelled all Japanese citizens from the islands and had Soviet citizens sent to the islands. Russia now insists that these islands are their territory.

Needless to say, Japan and Georgia's problems are different, historically and in its nature and form, but the consequence is so similar. Such historical fact shows us that the total numbers of "frozen conflicts" around Russia is not decreasing. We cannot expect gradual and stable economic growth, without having to resolve the frozen conflicts.

What can we do to tackle with this problem? The answer is not simple. Currently Japan is in trouble with US, because Japan's Democratic Party, the newly elected ruling party, doesn't want US military presence in Japan. In addition, Japan is neither politically nor economically stable. Dialogues as well as applying pressure to Russia at various levels will be needed. The occasion may take place at G8 summit, UN conference, multilateral government talks, or non-government forums. The most important of all would be to continue the talks on this issue and not forgetting the "frozen conflict".

Lead Discussant C

*Stefan HUBER, Deputy Head of Delegation,
European Commission*

The Black Sea area is important and the EU pays close attention to the region due to its strategic importance. The involvement of three EU Member States – Bulgaria, Romania, and Greece – not only gives the EU legitimacy as a direct player, but provides help in organizing the implementation of the EU's April 2007 communication on the EU's regional initiative, namely the "Black Sea Synergy" (BSS).

The specificity of the BSS lies in its philosophy and its principles of implementation. Therefore, we need to use as much as possible of the existing or already-proposed initiatives, whose objectives Black Sea countries already subscribe to. Moreover, the EU wants to connect and interact with existing organizational structures like the Black Sea Commission and BSEC.

Regarding the principles of implementation, though we cannot fund investments directly, we can use resources as seed-money, to help prepare the projects, and present them to those actors who are ready to invest in infrastructure in the Black Sea region. This formula has been proven successful in other contexts.

But we cannot be the only financiers of these schemes. Partners must be able to contribute as well. This is why, if partners have interest and can produce credible pipe-lines of projects, we are planning to establish dedicated funds for those partnerships where investments will be the key objective, primarily of environment and transport, but also energy and higher education.

Lead Discussant D

SAITO Motohide, Professor, Kyorin University

The Japan-Black Sea Area Dialogue offers a unique opportunity to exchange views between Japanese participants and the representatives from the Black Sea littoral states regarding the current state of geo-political games in the region in which a variety of actors are involved.

Ambassador Mithat Rende clearly illustrated the Turkish viewpoint of the strategic significance of the Black Sea region as well as Turkey's diplomatic efforts to promote peace, stability and economic prosperity in the region. I have a couple of questions. My first question to him is related to the strategic relationship between Turkey and Russia. Turkey has reportedly constructed strategic partnership with Russia in the economic field. In contrast, Turkey has not yet constructed strategic partnership with Russia in the political sphere. In my view, this is partly because the policy of the two nations does not coincide in the Caucasus and Central Asia. Is my judgment accurate? My second question is about Iran's nuclear and missile development program. How does Turkey evaluate it?

In Ukraine a presidential election is coming soon. It is necessary to contemplate the geo-political implications of Ukraine's foreign policy orientation under a new administration.

Lastly, taking advantage of my role as a lead discussant, I would like to illustrate the similarities and dissimilarities between the Black Sea region and the Asia-Pacific region. The key features could be summarized as follows:

(1) Although the United States is the strongest power in the world, it has faced a variety of

challenges in the Black Sea region and in North East Asia as well

(2) In the Black Sea region, Russia is a revisionist power. On the other hand, in the Asia-Pacific region, it is a status-quo oriented nation as is evidenced by its attitude toward the Northern Territorial issue.

(3) In the Wider Black Sea region, Russia is attempting to weaken or, if possible, to scrap NATO. In contrast, in the Asia-Pacific region, it is supportive of the existing US-Japanese security system to maintain peace and stability to prevent China from securing regional hegemony.

(4) China, which has been actively pursuing foreign policy goals in the Asia-Pacific region for years, has started to make inroad into the Black Sea area in recent years.

Free Discussions

All Participants

A Japanese participant raised the question why there is no representative of NATO in this Dialogue, for the dialogue closely deals with security cooperation in the region. A participant from the BSEC responded that while one of the purposes of the Dialogue is to deal with hard security issues in the region, the dialogue focuses more on the soft security and BSEC. Moreover, the role of Japan is expected in the field of soft security in the Black Sea region, so it is understandable why the organizers of the conference have not invited speakers from NATO. He added that the panel speakers are all from member states of NATO and that some of the speakers had experiences within NATO, including himself who started his career in NATO. He commented that he would have personally preferred to have somebody from the Russian Federation and the NATO to hear all the views, because the Russian Federation, especially, plays a major role in the Black Sea security.

Referring to the Chairman's remark on characterization of the Black Sea region as Europe's final opening to the East, another Japanese participant commented that he has always tried to conceptualize the region as Asia's final opening to the West. A Participant from the BSEC responded that the conceptual aspect raised is fully agreeable and that he believes that it all depends on different viewpoints. For example, from Istanbul's perspective, the region is seen as Europe's final opening to the East, while from a Japanese aspect, it is seen as the final opening towards the West, due to geographical reasons. He concluded by saying that the Black Sea region is located in the middle and that the Black Sea countries are the bridge between the East and the West.

A Japanese participant asked about the plausibility for Georgia to join NATO and where the issue stands at present – whether it is off the agenda, or is a long-term issue that still remains. He also added that this would be critical in understanding the issue of security of the region. A participant from the BSEC said that in order to fully comprehend the issue, it is necessary to go back in history - to the agreements between Gorbachev and Reagan. He said that the agreement was broken by the West because it expanded, even to those countries that belonged to the Warsaw Pact, while the agreement was that if Gorbachev, who kept his part of the promise, agreed on the reunification of Germany under the condition that the NATO does not expand any further. Therefore, the Russian Federation's response is understandable and that the issue still remains. A Japanese participant added on this issue, by saying that the possibility of Georgia being granted membership to NATO is very unlikely and difficult because in order to join NATO, Georgia needs unanimous

vote, but as long as France and Germany oppose its entry, it would be impossible. He concluded by saying that it would be crucial for Georgia to persuade Germany and France.

A Japanese participant asked what the Black Sea countries' responses were regarding the US and China's involvement in military defense. A participant from the BSEC responded that in regards to the US participation, BSEC views it as a very active observer status – their participation in BSEC meetings and jointly organized and financed conference in 2008 in environmental issues. Back in 2006, the US wanted more military involvement, with an aim to have their fleets patrol the Black Sea for counter-terrorism. The region declined the offer because there were already enough fleets covering the Black Sea area, which cover the possibility of terrorism and illegal smuggling of weapons and drugs. Furthermore, neither Russia nor Turkey wanted any more military fleets in the Black Sea at the time and the US accepted this. Another panelist from the BSEC added that the US now shares the economic interests, as in the construction of common electrical system. With regard to China's involvement, a participant from the BSEC said that China had indicated its intention to do so. A participant from the BSEC added that China had indicated some interest to cooperate with BSEC at a meeting held in Moscow; however, since then the Chinese have not made further approach. A Japanese panelist added by saying that China has much interest in improving economic partnership with the Black Sea countries and that it is evident through China's financial assistance. He also mentioned that China is currently working on developing economic relationship with Romania and Hungary and that China is importing arms from Ukraine – but that such movements are not favored by the Russian Federation.

Session II "Challenges for Economic Development and Energy and Environmental Cooperation in the Black Sea Area"

Co-Chairperson

TOGO Kazuhiko, Professor, Kyoto Sangyo University

Attending this Dialogue, I am reminded of then Prime Minister Hashimoto's speech, which was delivered on July 1997. The speech is usually perceived as Japan's opening of a new policy towards the Eurasian continent, which we then called the "silk road" diplomacy. I was then serving as a Deputy Director-general of the European Affairs department of MOFA.

Since then, Japan has been strategically interested, first in Central Asia, but then expanded toward Caspian Sea, Caucasus and the Black Sea and the beyond. I felt that Japan's interest was too much accentuated in Central Asia, but now I feel that Japan's strategic interest of this region, the Black Sea and the beyond, have not only been kept alive, but developed stronger. I look forward to very fruitful and constructive discussion.

Co-Chairperson

Altai EFENDIEV, Head of Economic Cooperation and Development Department, Ministry of Foreign Affairs of Azerbaijan (Azerbaijan)

Azerbaijan is one of the key countries and the leading countries in the region. It has pioneered important development in the region. This is a great honor and privilege for me to co-chair this

session.

I would like to make some remarks in relations to the discussion that took place during the previous session. This vast, rich area now stands an historic chance to transform into a region of great economic sense, though we cannot say that this has fully developed into an economic region of integration; it is a very early stage of development. A lot of factors, players, and interests of players are intersected, so it is not only internal dynamics of region, but is also very heterogenic- having big countries and small countries with different economic affinities.

Questions such as what role we should expect from the regional cooperation, like the Black Sea Economic Cooperation, and whether its current functions could be considered enough, or whether we should delegate more power to this leading forces or not are important. I believe that these aspects pose great significance and therefore should be discussed.

Keynote Speaker *Mykola KULINICH, Ambassador of Ukraine to Japan (Ukraine)*

For Ukraine, the Black Sea Region is strategically important in terms of both economic cooperation and national security. The pace of regional integration of BSEC is closely related to the economic development of each member-countries as well as interregional trade, financial and energy cooperation.

On the one hand, half of the states in the Black Sea Area are under political and economic transformation aimed at economic liberalization and reforms. The differences in the level of economic development, membership status in EU and WTO and size of the economies put a lot of challenges to economic cooperation within the institutional framework of the regional organization. On the other hand, BSEC countries with the population of 330 mil people, rich of national resources, developed industrial base have a significant potential for developing closer economic ties in many areas, such as energy, infrastructure, finance, trade, agriculture, tourism and environmental policy.

Nowadays the financial economic crisis, which started in September 2008 and adversely affected the global economy, became a new test for the BSEC regional economic development and cooperation. As a result of capital outflows, falling industrial output and demand, high unemployment rate, and banks' liquidity squeeze, the period of high economic growth in many BSEC countries has ended. Ukraine is not an exception and, unfortunately, is in the list of the countries which suffered the most because of the export dependent economic structure and weak banking system. Although the damage from the crisis varies from country to country, the overall impact on the Black Sea Region was very negative. In 2009 it is roughly estimated that the GDP growth rate in Black Sea Area would be -6-7%.

The current crisis demonstrated how economically interconnected and interdependent countries are, and that they cannot tackle the global crisis only on a domestic level, but must join their efforts and act together to fight with the consequences of the crisis and take measures to prevent a new one.

On an individual basis, national governments used various financial mechanisms to avoid collapse of banking system and stimulate the economy. Some of the countries, including

Ukraine, Romania, Serbia and others received financial assistance from IMF and other international institutions. While these measures are effective to a certain extent, it is desirable to develop financial and banking cooperation, which aims at risk reduction and collective guarantees on the regional level. In this regard, financial activities of BSEC, especially the Working Group of Banking and Finance, as a consultation mechanism, and Black Sea Trade and Development Bank require a special attention.

Japan was also affected by the world economic crisis. But in spite of this Japan did not turn away its attention from the problems of other countries, but became a major donor to international financial organizations to help countries in need support their economies. For example, the third IMF tranche to Ukraine in July 2009 was fully covered by Japan's additional 100 billion dollars donation to the IMF. Such cooperation through private investments would be greatly appreciated in the region as well.

Another challenge to the economic development in the Black Sea Area is energy security and disproportional distribution of energy resources. Traditionally the region was a major transit zone with big energy suppliers, such as Russia and Azerbaijan. Thus, energy cooperation within the region as well as with energy importers outside the region such as the EU countries, have an important implication for economic development.

BCES Declaration on Cooperation with the EU in the Field of Energy, which was signed in April 2008 in Kyiv, and the Yerevan Declaration on Energy Cooperation in the BSEC Region, which was adopted by Energy Ministers in March last year, clearly demonstrated the will to coordinate energy policy and integrate energy markets of the BSEC countries as well as the EU. However, consensus on energy strategies of the member countries should be strengthened by practical implementation of joint projects. Ukraine, as a major transit state between Europe and Asia, has a strategic interest in energy cooperation within BSEC and BSEC-EU frameworks and interested in improving energy transportation infrastructure and mutually beneficial diversification of energy resources.

In the framework of realization of the energy policy, aimed at strengthening its position as a reliable partner in energy sphere, Ukraine is actively working on the establishment of the new routes of energy transportation from Caspian and Middle East regions. For example, during the Third Energy Summit in Kyiv, which was held in May, 2008, the President of Ukraine Victor Yushchenko initiated the Concept of the Caspian-Black Sea-Baltic Energy Space in order to provide reliable, transparent and predictable energy supply to Europe. Currently the priority project in the framework of the mentioned concept is establishment of the Euro-Asian Transit Corridor.

In the future, the Caspian-Black Sea-Baltic Energy Space will help strengthen the trust between countries in the region and reduce risks over the whole energy chain – from energy exploration in Caspian Sea, energy transit via Black Sea to supply on the European market.

Heavy dependency of the most of the BSEC countries on external supply of oil and gas calls for the need to increase energy efficiency and diversify energy sources. While joint projects in energy exploration and transportation require political will of the member states to cooperate, realization of energy saving projects could be more viable. In this regard, Japan as a pioneer of advanced technologies and one of the most energy efficient countries could be a strategic partner for BCES countries.

For Ukraine last year marked a breakthrough in implementation of Japanese energy saving technologies within the framework of “green investment scheme” under the Kyoto protocol. Rising gas prices and tensions with the major gas supplier, which occurred in the past, made the Ukrainian government reconsider its energy policy and start to promote usage of alternative sources of energy and energy saving equipments in communal services, electric power production, metallurgy, chemical industry and other sectors. Successful implementation of such advanced technologies is equal to the economic security and growth. I believe Japan could play an important role in modernizing and “greening” economies of BSEC countries on a mutually beneficial basis providing investments and technology transfers.

Next, environmental issue is one of the most serious threats to the economic development of the Black Sea Area. It includes preservation and management of natural resources in the Black Sea and Danube River as well addressing the problem of global warming on the regional basis. To find effective solution to ecological problems BSEC states need to join their efforts in coordinating national environmental strategies and ecological legislation. Key issues for environmental protection include industrial pollution, pollution of the Black Sea and rivers, waste management especially radioactive waste to name a few. In the case of Ukraine, we are taking different measures to eliminate the consequences of Chernobyl nuclear accident. We appreciate the assistance from Japan in this area and hope that Japan, as the most environmentally friendly nation, will help tackle ecological problems in the Black Sea region.

Formation of BSEC has happened on the intersection of trade and economic systems, which previously had different economic development concepts. From the very beginning of BSEC these circumstances conditioned relatively low trade turnover between the countries with different economic systems, in spite of the diversity of industrial capacity, service sectors and natural resources.

According to UNDP data, intra-regional trade is on average small, not exceeding 20% of the total. Currently only Bulgaria, Greece, Georgia, Rumania, Turkey and Ukraine are the members of WTO and others are still negotiating their accession to this organization. As for Ukraine, the major trade partners in the region are only Russia and Turkey.

To increase intraregional trade, the ultimate goal of the BSEC initiative is establishment of the “free trade zone”, however, it is more of a long-term perspective than a short-term goal. The main issue at stake is trade facilitation using various mechanisms such as reduction of non-tariffs barriers, implementation of joint economic projects, and participation in regional trade exhibition etc. Last year in October Ukraine hosted a Workshop on Customs Data Exchange as a step to trade facilitation by reducing waiting time at the borders and combating fraud and smuggling. I believe that real-time exchange of information among the customs administrations would help both the customs and business to speed up the process of clearing of imported and exported goods.

At the current economic difficulties, it is important that member states do not impose any additional barriers to trade to protect their economies but follow the international principles of free trade. Accessible and open market of the BSEC countries would make the region more attractive to domestic and foreign investments. Open markets will promote trade with the countries outside the Black Sea Area, especially with the EU, which is the main importer and investor for the BSEC countries.

Geographical proximity to EU and participation of three EU member states in BSEC, on the one hand, makes EU a main economic partner for the region, but on the other hand, puts in a disadvantage position non-EU countries. The challenge they have to face is the adaptation of their regulatory standards and product quality to the EU rules.

To develop joint economic projects and promote investment and trade in the region and with other countries, BSEC Business Council is very instrumental. In many other regional organizations close business ties and cross-countries business network were one of the main impetuses for further institutional cooperation. In this way, I see the role of the BSEC Business Council as a collective mechanism for facilitation of partnership between government and business as well as between regional private companies

Some may argue that new projects are difficult to implement during the financial crisis. However, we should think of this crisis as an opportunity to reconsider the strategy to business cooperation creating opportunities for new projects in infrastructure, energy-saving, tourism and other areas with the participation of private and public sectors. A really important instrument for practical implementation and financing of projects is BSEC Project Development Fund. One of the examples of the two regional projects can be the Black Sea Ring Highway and the Motorways of the Sea. Japanese companies are very much welcomed to the Black Sea Area not only on a country-to-country basis but also on a regional basis.

To conclude, in spite of the economic diversity and different levels of integration to the global economic system, BSEC countries have common problems which they have to face - global crisis, climate change, low level of intraregional trade and investments and energy security, which are the main challenges that call for joint efforts and coordinated policy. At the same time, Japan, with vast economic and financial capacities, can make a significant contribution to the development of the region through its own initiatives as well as through international organizations on a mutually beneficial basis.

Keynote Speaker

*MOTOMURA Masumi, Chief Researcher, Japan Oil,
Gas and Metals National Corporation*

Due to potential growth of the future gas demand, several gas pipeline projects were planned to increase gas supply to the European market. To name first is Nord Stream. Nord Stream was to transport gas from Russia to Germany via the Baltic Sea. There were some concerns about realization of this project, since this plan needed consents from the countries surrounding the Baltic Sea. On the other hand, many energy experts anticipated that the project would be realized because the UN Conventions of the Law of Sea stipulates that all states are entitled to lay submarine cables and pipelines on the bed of high sea beyond the continental shelf. As the experts have expected, the government of Denmark, Sweden and Finland approved of the Nord Stream Pipeline Project last year. The construction is scheduled to start in April this year.

Nabucco transports from Turkey to Austria, aiming for the south European market. It has been trying to achieve commitments of gas supply from Caspian and Central Asian countries. On the other hand, gas pipeline from Russia and owned equally by Gazprom (Russia) and ENI (Italy),

was announced another gas pipeline project called South Stream, targeting south European market as well. The purpose of this project is obvious – to supply more amounts of gas from Russia and compete with Nabucco.

In early 2009, a series of international conference on the Nabucco Project were held on the basis of a gas supply crunch from Russia to Ukraine and Eastern Europe. Finally, an international government agreement was signed in July among five transit countries: Turkey, Bulgaria, Romania, Hungary, and Austria. However, no progress has been seen since then. The weak point of Nabucco is the lack of enough sources to supply gas to the pipeline. The second phase of the Shah Deniz field offshore Azerbaijan will produce 16 billion bbl³; however the capacity of Nabucco is 31 billion bbl³. There is some possibility that the Akas gas field in western Iraq or two gas fields in Kurds will join; however the development of these fields has yet been achieved.

Another problem has been Turkey's policies. Turkey wants to purchase 15% of throughput gas at a discount price and has been negotiating with other partners, which caused disharmony among the Nabucco partners. Pursuant to the Energy Charter Treaty, freedom of transport is declared in Article 7. What Turkey is demanding may possibly be not in accordance with this clause.

Azerbaijan will start gas exports to Russia by reverse flowing of the existing pipeline, which was used to import gas from Russia until 2005. Its throughput is only 100 million m³, however this is a symbolic case to show Azerbaijan's intention not to rely only on the Turkish route but to retain another transportation route.

Change of US policy is also another major factor. Mr. Richard Morningstar, the US envoy to Eurasian Energy, said in the middle of July, when the intergovernmental agreement of Nabucco was signed, that half of the capacity is open to the third parties of gas producing countries and Russia can supply gas to the Nabucco pipeline. This is a very important change of policy from the USA, since the USA has been saying that this pipeline is not only to detour Ukraine but also avoid the gas source of Russia.

We must pay attention to what Nabucco participants really want. If we take a look at the website of Nabucco, surprisingly enough, we will find that they are saying Nabucco will transport gas from Russia, Iran, Azerbaijan, and Egypt. Only politicians say no gas from Russia. Business people are not interested in overly politicized issues. There are lots of arrows of gas flow from lots of countries flowing into the Nabucco pipeline. What is the difference between Nabucco and South Stream? There is no difference and this competition is meaningless. The best way for the both sides is to find a way to merge.

Slovenia signed the governmental agreement last November and all the transit countries joined this project. The route has changed several times. Passing through Slovenia, the pipeline runs directly to Italy and a spur will be extended to Austria. In November, Electricite de France (EdF), a French power company, joined the South Stream project and will take 10% share. Gaz de France Suez has already joined the Nord Stream project. So, this is the second time that a French company has joined a pipeline project to accept Russian gas. This means France also wants to reserve gas to cope with increasing demand for gas in the future.

Another surprising thing is that Turkey approved the construction of South Stream running

through the Turkish water of the Black Sea in August, which Ukraine rejected bluntly at the very beginning of this project. It is an enigma and rather difficult to understand. Turkey is a member of the Nabucco project and it is obvious that South Stream is a competitor. But still, Turkey might have given some favor to South Stream instead of remaining as rival. My interpretation is that it is free of charge to give the permission of passage in the Black Sea for the government of Turkey but it may work as a “free pass” or an indulgence for Turkey when South Stream and Nabucco decide to merge. On the other hand, Russia is to pay an expensive price to Turkey.

Putin’s visit to Turkey in August 2009 was the most influential one. 20 documents were signed and three important agreements about energy were included.

As mentioned before, the first one is Turkey’s approval of passage of South Stream through the Turkish water of the Black Sea. The second one is Russian participation in the Samsun-Ceyhan Bosphorous Bypass oil pipeline. This one is also a competitor against the Russian-led Burgas-Alexandroupolis pipeline, which is another Bosphorous bypass oil pipeline through Bulgaria and Greece. It is said that the maximum capacity of the Bosphorous Strait is around 1.7 million barrels per day, which is the current level of actual transportation. Now that the oil production in the Caspian region is souring, demurrage at the entrance of the strait is becoming a big problem.

Russia proposed a detour from Burgas of Bulgaria to Alexandroupolis of Greece and Russia, Bulgaria and Greece agreed in 2007. To oppose that, Turkey and ENI of Italy proposed the Trans-Anatolian or Samsun-Ceyhan pipeline, and the both plans competed to gain commitment of throughput from oil producing companies. Russia has been predominant since Russian oil companies have the largest oil exports, while the Turkey-Italy group could accept only ENI’s products. But now, Russia seems to have chosen ENI as a partner. It is because the South Stream project became the first priority.

The third one is that Russia and Turkey agreed to construct Blue-Stream-2, which will transport gas to Cyprus, Syria, Lebanon and Israel. As I mentioned before the Nabucco Company is looking forward to participation of Russia, however this new project might serve as a rebuff to Nabucco.

Of course, these are all games. Before making investment, all the participants around the Black Sea beat their brains out to possess the better position in the game. We should keep in mind that those are business tactics and far from political strife. Their goal is to establish a good business model which creates value among all the participants, and stability of the business, mutual benefits. The prosperity of the region may have the first priority.

Lead Discussant A

HIRONO Ryokichi, Professor Emeritus, Seikei University

The Black Sea Economic Cooperation (BSEC) and the Association of South East Nations (ASEAN) share many similarities, such as diversity, economic cooperation, and its purpose of establishment. Since its establishment, the ASEAN has made some achievements in priority areas, such as trade, investment, finance, energy, transport, telecommunications, and environmental cooperation. Thus, it would be useful for the BSEC to learn from the ASEAN experiences to enhance the institution and region’s further development.

For any economy, it would be essential to ensure macro-economic stability through sound monetary and fiscal policies. Poverty reduction through reorienting investment into employment expansion in growth sectors is vital. BSEC could focus on improving resources-and-energy conservation and efficiency and increasing use of renewable energy through domestic tax and financial incentives and assistance to scientific and technological innovations. Finally, empowerment of people through enhancing access to basic education and health care for all is fundamental lessons that could be learned from the rich experiences of the ASEAN.

ASEAN had focused on achieving social stability through; a) equitable distribution of income and wealth among people and between urban and rural areas; b) strengthening government capacity to ensure effective implementation of sustainable development policies at the national and local levels; c) promoting decentralization of authority and finance to ensure effective participation of all groups of stakeholders in national and local decision-making processes, with a view to installing government of the people by the people, and for the people; and d) reinforcing economic, social and political environments under which human dignity and rights are fully respected and under which the public has a deep confidence in their own governance institutions.

Equally essential are a) mainstreaming environmental conservation and protection, including climate change concerns in all development policies at all levels, b) integrating education for sustainable development at all levels of formal and informal education, including community and corporate education, with a view to enhancing environmental awareness and capability among all stakeholders, c) promoting partnership with all stakeholders and in particular, corporations in research and development of environmentally sustainable technology and enhancing the professional capacity of environmental experts with inter-disciplinary approach to sustainability.

ASEAN countries, together with other Asian countries, have been committed to : a) implementation of the Cebu Declaration on East Asian Energy Security in 2007 and the Singapore Declaration on Climate Change – commitment to common goal of stabilizing atmospheric GHGS by emphasizing both mitigation and adaptation and b) promoting further cooperation in economic, energy, environment, social and national security areas. Cooperation efforts have been intensified by ASEAN and other EAS countries: a) to turn Asian economic growth sound and sustainable via Chiang Mai Initiative and multilateralizing the bilateral economic partnership, b) promote energy conservation, efficiency, and security via formulation of East Asian Common Energy Policy, joint investigation of establishing Asian Strategic Stockpiling Scheme for Oil for emergency, and organizing a unified regional market for oil and natural gas, c) arrest environmental degradation through joint academic research for environmental protection and promotion of UNU-led RCEs for reinforcing ESD, and finally and d) stabilizing climate change through GHG emission mitigation and adaptation measures.

Lead Discussant B

*Ivan MRKIC, Ambassador of the Republic of Serbia
to Japan (Serbia)*

Eighteen years ago, the founders of BSEC rightfully and timely envisaged the necessities and

potential of the countries belonging to the Black Sea region. It is characterized as a meeting point of nations belonging to diverse cultural and religious backgrounds and civilizations, with very rich histories, that have been many times intertwined. Those interactions haven't always been the fortunate ones. Nevertheless, the course of history has taken all the participating states into the line of close cooperation, maturity and togetherness.

The fact that the European basin extends to the Black Sea region is, to our minds, of an utmost importance. Serbia, as a European country, joined BSEC club with enthusiasm, optimism and true devotion. We wholeheartedly share the provisions and goals of the Charter of BSEC and wish to contribute to the common aim.

In the last year's closing months Serbia has made progress on its way to becoming the full-fledged member of the European Union, which is the central and the highest foreign policy priority of my government. We continue our walk to that membership with steadiness and high hopes, guided by our conviction that we may play a role in the expansion and promotion of EU's values and wellbeing. We are also very pleased that the EU Commission has obtained an observer status within BSEC.

The EU has developed a program, "Black Sea Synergy", with a number of concrete initiatives looking at areas like transport, energy, the environment, maritime management, fisheries, migration, and the fight against organized crime, the information society and cultural cooperation. The EU has also established a new cross-border cooperation programme involving local authorities in the countries around the Black Sea, and supporting the activities of civil society organizations.

We are of the view that BSEC – EU Synergy is the proper format and in some ways an essential prerequisite for the joint and coordinated efforts in furthering the development, peace and stability in the area. Serbia associates itself with this future oriented programme. In particular, transport and energy should be pointed out as fields of greatest potential for cooperation.

Serbia shares the prevailing view that BSEC should primarily be project-oriented. The more this approach is realized and materialized - the better achievements and prospects of the region. At this point, it is worth mentioning that Memoranda on the Black Sea Ring Highway and the Motorways of the Sea have been signed in Belgrade in 2007. The Republic of Serbia, with Corridor 10 as its main traffic route, is interested in further engagement on these projects and in interconnecting its own transport infrastructure with the region as one of the preconditions for the enhancement of all forms of cooperation.

Environmental projects in the Danube River – Black Sea Basin are another field of cooperation of extreme value and importance. Nowhere on Earth have such improvements of water quality and ecosystem been observed, in a large river and adjacent sea, as in the Danube River/Black Sea system over the last decade. As a result of Basin countries efforts, nitrogen emissions have decreased about 20% and phosphorus almost 50% in the Danube Basin/Black Sea in the last 15 years.

Finally, Serbia has devoted to international law and regional stability. Recently, it has set a historical example by resorting to political and diplomatic means in the case of the unilateral declaration of independence of Albanian minority in Kosovo, which could have ignited a new turmoil in the Balkans. We are looking forward to the decision of the International Court of

Justice in the Hague on the basis of which we shall be furthering our cause and sovereign and inalienable rights.

Lead Discussant C

ISHIGOOKA Ken, Professor, Nihon University

What is the purpose of the Black Sea Area Cooperation? What is the core idea of the Black Sea Area Cooperation? What is the meaning of the Black Sea Area Cooperation for the member countries?

It appears that most of the member states are not so eager about the integration of the Black Sea Area. The impression we receive is that these states are much more eager to be integrated to the European Commission rather than the BSEC. For example, during the presidential election in Ukraine, the subject of the BSEC was not very popular and not so much discussed. It seems that rather Turkey and Romania are much more eager in taking a leading action toward the BSEC, but the rest are not. In the Black Sea Area, there are lots of confrontation and competitions among members, such as Russia-Georgia, Russia-Ukraine, Turkey-Bulgaria, Turkey-Armenia-Azerbaijan, etc.

What kind of relations do you see between Black Sea Area Cooperation and EU? What kind of relations between Black Sea Area Cooperation and Russia?

After the collapse of the USSR, in the former Eastern European area there had a huge power vacuum. Soon after, various forms of integration took place. This shows a journey for the region to find its identity after the Cold War. If we have dividing lines amongst the states, then the future integration of the region would be very weak.

How do you see Black Sea Area Cooperation in a changing world system or order? Namely, if G2 dominated the world system in the near future, what kind of role or status could be seen for the Black Sea Area?

As China is growing at a rapid pace, its potential to become future dominant power cannot be ignored. Thus, the Black Sea Area would be a bridging area for Russia and China and the West.

Lead Discussant D

*Revaz BESHIDZE, Ambassador of Georgia to Japan
(Georgia)*

The importance of the Black Sea Region has increased significantly in recent period. Its strategic location, rich natural and human resources as well as its transit potential makes Black Sea Region a solid market and an attractive area for investments. Wide and deep regional cooperation will be instrumental in fully utilizing the existing assets and taking advantage of the potential to boost economic prosperity region-wide.

However, regional cooperation is not an easy task. Among others, opening borders to people and goods, deepening trade relations, constructing transport networks and energy infrastructure are complex issues that sometimes do not coincide with countries' interests. Nonetheless, regional cooperation is not an option but a necessity for the Black Sea region.

To underscore that BSEC, being the most structured regional organization, should promote the economic interests of its Member States via expanding exports to foreign markets, facilitating the flow of labor and services, and attracting foreign investments. Such measures are important to cope with the challenges of the ongoing financial crisis.

As one of the founding members, Georgia is committed to supporting the BSEC. Georgia has significantly reduced tariff rates and non-tariff barriers for imports from the Member States and improved conditions for cargo shipment through our territory. Moreover, Georgia has harmonized technical norms and standards in the field of transport policy and simplified customs and border crossing procedures, in order to ensure free movement of all kinds of goods as a basic condition for deepening trade in the region. We have signed Free Trade Agreements with some Member States.

Japan is increasing its involvement in the Black Sea region and the Third Japan-Black Sea Area Dialogue is a clear demonstration of it. Japan and the countries of the wider Black Sea area have shared interested on whole array of issues, such as security, trade and economic relations, and others. Easing the movement of people is a necessary element of deepened cooperation. Thus, gradual facilitation of the procedures for visas will promote development of trade and economic relations between the countries of the Black Sea region and Japan. In this regard a cooperative strategy should have economic and trade liberalization as a central element in the agenda. Furthermore, participation of Japan's private sector and capital in the economy of the Black Sea countries would foster cooperation and would be mutually beneficial.

Given the importance of the Black Sea region in terms of rich energy resources and transportations routs, there is a good opportunity for Japan to be actively involved financially and technically in the alternative energy and transportation projects. Japan has shown much economic support, which has promoted economic development efforts, in the process of developing market economy in Georgia.

We highly appreciate the commitment of Japan to allocate 200 million US Dollars for Georgia for 2008-2010 in order to minimize the consequences of Russian aggression to Georgia. Georgia has recently signed loan agreement with Japan, in which JICA will extend to Georgia 17,722,000,000 Yen for the East-West Highway Improvement Project.

The objective of the Project is to strengthen transport system in western portion of the East-West Corridor in Georgia and thereby contributing to economic development.

To achieve high level of cooperation with Japan, EU, US, and others, the BSEC Member States should be committed to developing relations within the region. Regrettably, we are not making the most of the potential and exploiting the opportunities to ensure stability and security in the area. By pursuing the short-term interests of individual countries, we create obstacles that hinder the long-term development of our region. The particular unfriendliness of a certain member stands out and cannot go unnoticed.

Since 2006, the Russian Federation, in contradiction to the BSEC founding principles, unilaterally closed borders, introduced full trade embargo and fixed a political price for energy resources for Georgia. These actions were undoubtedly aimed at obliterating the Georgian economy. However, these measures brought no results to those who had destructive intentions thanks to our hard work and cooperation with neighbors as well as friends

worldwide, we managed to diversify our exports, ensure our energy supply and continue our economic reforms.

In August 2008, we witnessed Russia's large scale military aggression against Georgia and the subsequent occupation and recognition of the non-existent so called "independence" of my country's inalienable territories, where ethnic cleansing continues and where human rights are being gravely violated on daily bases. These actions indubitably constitute a grave violation of norms and principles of international law and step of the main goals and objectives of BSEC.

Even though we disagree with some of its findings, the Tagliavini report provides enough evidence and facts to confirm all Georgian claims. In particular, the report makes clear that the August 7-8 events were just an episode of a longer cycle of provocations, inter alia, by Russian side. Report confirms that ethnic cleansing against Georgians took place and that the Russian allegation of genocide is a total nonsense. Report also unveils Russia's illegal activities in the period leading to the war and confirms that Russia has breached international law when attacking Georgia. According to the Commission, recognition of the respective occupied regions is a violation of international law and the decision on recognition by Russia or other countries is completely illegal. Meanwhile, today, the Russian occupation of Georgia continues, in breach of international law and of the Six-Point Ceasefire Agreement of August 12, 2008. Russia is, in fact, continuing pursuing its plan of annexing Georgia's occupied territories.

The presence of the UN and OSCE monitoring missions has been unilaterally blocked by Russia, which has refused to allow safe and dignified return of IDPs and refugees; meanwhile, the human rights of those still living in Russian-occupied territories are constantly violated. Russian aggression against Georgia points out to the significance of diversifying Europe's oil and gas supplies and ensuring Europe's energy security. In this regard, close cooperation and balance of interests between energy producer, transit and consumer countries is an essential element of sustainable development.

Georgia, Azerbaijan and Turkey play a key role in transportation of oil and gas from East to West through energy transit projects of global relevance, such as the Baku-Tbilisi-Ceihan, Baku-Tbilisi-Supsa and Baku-Tbilisi-Erzurum pipelines. It is vital to continue further development of major international pipelines to deliver oil and gas from the Caspian region and Central Asia to the European consumers by means of "Nabucco", "White Stream", "Trans-Caspian Pipeline" and other forthcoming alternative energy projects being among them.

We welcome the signing of the Intergovernmental Agreement for Construction of the Nabucco gas pipeline in Ankara on July 13, 2009. This makes the prospect of construction of this vital pipeline irreversible and assured. Georgia is also involved in the "Euro-Asian Oil Transportation Corridor" project (EAOTC) that will further contribute to energy security by creating a reliable route for transportation of hydrocarbon resources from the Caspian region to Europe via Azerbaijan, Georgia, Lithuania, Poland and Ukraine. Given the strategic location of the Black Sea region, there are many opportunities for developing cooperation in the sphere of transport.

Georgia continues its policy of close regional cooperation. Construction of Baku-Tbilisi-Kars, which is a new railway route connecting Turkey, Georgia and Azerbaijan, will have a great positive regional impact. Realization of this project will attract new freight flow from China and Kazakhstan, using Georgian and Turkish railway systems with further continuation to Western

Europe. In early stages, the carrying capacity of the new railway line will be 5 million ton per year.

The liberalization of the road transport traffic and development of transport infrastructure is the priority direction. Georgia is striving to conclude relevant agreements with its neighbors. Georgia has vested high resource in infrastructure improvement. The transport infrastructure in Georgia is developing rapidly. Investments in the sphere of reconstruction and construction of highways have increased significantly over the past years. At present, the works are underway in Georgia to construct and reconstruct the roads from Turkey to Georgia with total length of 55 km.

It is planned to construct a new logistical center near Tbilisi, which will connect the railway, road and air transport routes and will be the linking element between the Black Sea ports of Poti and Batumi, and the Caspian region. The oil terminal in Kulevi is being put into operation and is intended to transport Caspian oil to Europe. Its carrying capacity in the early stages will be 7 million tons per year. (In 2008 1.4 million tons of bulked cargo was overloaded in the port).

What hinder these positive efforts are the unresolved territorial problems that are the main obstacles to successful regional cooperation and realization of economic projects. Our main point is simple: We are not using the conflict to delay reforms. Rather, we are taking the Russian aggression as a reminder of the need to continue result-oriented liberal economic reforms, and to further develop our democracy and state institutions.

In August 2009 Georgia was granted Sovereign B+ by the Fitch Ratings and according to the Doing Business 2010, Georgia moved to 11th place in terms of Ease of Doing Business. According to the Transparency International, Georgia is the top country in the post-soviet region (except the Baltic States) in terms of fighting corruption. According to the Index of Economic Freedom 2010, Georgia moved forward by 6 positions, and currently holds 26th place amongst 183 nations. At the same time, creation of Free Industrial Zones (Poti, Kutaisi) offers to investors the most favorable conditions for starting and operating business. These facts are strong incentives for potential investors to be more actively involved in the economy of Georgia.

Georgia believes that any multilateral or regional organization should place the universal values and principles of international law at the cornerstone of cooperation. Thus, the principle of respect of independence, sovereignty and territorial integrity of the Member States, within the internationally recognized borders, must be the main obligation for states to ensure for fruitful multilateral economic cooperation.

Free Discussions

All Participants

A participant from the BSEC posed a question on the capability of separating business and politics, especially on natural resource-related business projects. He said that all these energy-related projects started out with some sort of political agenda, capitalizing on the needs of energy and therefore has been started as political projects, which seems to continue to have dynamics of their own. For example, Nord Stream aims to target Germany, Blue Stream has targeted Turkey, and South Stream set as rival project to Nabucco – and you can notice the

political dimension of these projects. Like what the railways meant during the First World War, pipelines today tell us that they are leading towards countries which are targeted. He asked what would be the source of supply for South Stream. A Japanese panelist responded to this question. He said that although the participant from the BSEC had said that business and politics could not be separated, he thinks that it is natural for a market to be created if there are resources and demands at one place and another. For example, in case of the United States –pipeline that connects Chicago and Pennsylvania, people did not ask politicians to make build a pipeline, but it was created due to the demand of the market. He commented that in case of gas pipelines in Eurasia region, because it involves a number of different countries, it becomes an international issue, in which all the government would have to cooperate together. He concluded by saying that business came first, then politics so that we should not over-criticize the issue (some other participants agreed with his comments). Finally, in regards to the question raised by the participants from the BSEC, he answered that the source of South Stream would be Russia since it has plenty of resources.

A participant from the BSEC commented on the feasibility of BSEC to succeed as regional governance system having the EU as its role model. He said that the EU has been started some time ago, by states who have fought against each other during the Second World War, but that it has proven to be a great success, although it took some time, determination, and devotion of the world class leaders. He believes that the Black Sea region is on the right track to this success, but that it would have to gain confidence, trust, and understanding through projects. He said that Japan's role would be vital in this because it could contribute to the realization of important joint projects – building infrastructures, pipelines, and highways. It would be necessary to maintain trust and willingness to cooperate even at times of difficulty among the nations. He concluded by saying that he is a true believer of the Black Sea region's economic cooperation.

A Japanese participant asked if the BSEC could play the very important role of ensuring the supply of natural gas, legally and technically, from the suppliers (c.f. Russia) to the consumers (c.f. EU countries) even at times of conflicts between the two parties. A participant from the BSEC responded that although the BSEC has the potential to develop into a successful authority, but at current stage, he does not think that it is in such position to have superiority over resources.

Session III" Future Perspective of Japan-Black Sea Area Cooperation"

Co-Chairperson

MURAKAMI Masayasu, Acting Executive Governor, GFJ

The theme of this session is the "Future Perspective of Japan-Black Sea Area Cooperation". Based on our intensive discussion at the previous sessions, we will look for concrete ways to advance Japan- Black Sea economic cooperation.

Co-Chairperson

Nikolaos TSAMADOS, Ambassador of Greece to Japan (Greece)

The Ambassador, Co-Chair with Mr. Murakami, summarized the 3rd session and also gave the floor to the various speakers and public. He also made a series of remarks following the

participants' interventions.

One of them was made by His Excellency after a very interesting thesis by one of the keynote speakers who explained that differences between Japan (& the East in general) and the West, are partly based on the religious – monotheism / polytheism culture that exists there. This, obviously, does not concern Greece, having in mind Greek mythology and the Gods of the Olymp.

Keynote Speaker

HASUMI Yu, Professor, Rissho University

Based on the evaluation of three key concepts – acceptance of diversity, tolerance for different “values”, and local ownership, the European Union (EU) appears rather unsettled in the Black Sea Region (BSR), which stands as an arena of coexistence of different values.

The EU has continuously been expanding and had enlargement in 2004 and 2007, in which in the former was enlargement to the neighbors in the East and the South and the latter to the BSR. The Black Sea Region has been a very unstable region, with diverse issues and conflicts. Thus, the EU has major interest in stabilizing the economy and governance of the region. The European Neighbourhood Policy (ENP) is in relevance to the soft security challenges between ‘in’ and ‘out’ of the EU. The ENP is based on shared values and common interests, which are good governance, prosperity, stability, and market economy. However, the problem arises from the EU’s “differentiation” of the “neighbors”. For example, the Black Sea Region is torn into EU’s (potential) candidate countries, and ENP countries and non-ENP states, such as Russia.

The ENP has been criticized for its ambiguity, subjective assessment criteria and lacking effective mechanisms without promise of membership. In other words, the ENP is the conceptual, strategic and spatial limits of Europe. “Neighbors” is meeting place of various cultures and civilizations, but the EU’s ‘integration process’ is being seen as ‘foreign actor’ and its ‘gravitational power’ faces ‘normative power’, thus, appearing unsettled in the region.

The Black Sea Region is an arena of regional cooperation between heterogeneous and differentiated countries. The BSR is rich in natural resource and is strategically located at the junction of Europe, Central Asia, and the Middle East. In addition, it is a hub for energy and transport flows. On the other hand, there remain unsolved frozen conflicts, environmental problems, and insufficient border controls. The Black Sea Region consists of a group of heterogeneous countries, with varying economy sizes and institutions, and integration. At the same time, it is also a group of “differentiated” group by the EU. For example, while Greece, Bulgaria, and Romania are EU members, Turkey remains as a candidate; Russia as Four Common Spaces and Strategic Partnership; ENP: Black Sea Synergy (Greece, Bulgaria, Romania, Moldova, Ukraine, Russia, Georgia, Armenia, Azerbaijan, and Turkey), and Eastern Partnership (Moldova, Ukraine, Armenia, and Azerbaijan).

The gravitation of the EU can be seen as an emerging model of multilateral-open regional governance. EU is a ‘soft’ empire based on normative power and ENP – flow of oil and gas from European neighbouring countries (EN) to the EU; flow of immigrants from EN to the EU; flow of neo-liberal ideology with shared values from the EU to EN, and there are little relations between ENP countries which depend on the EU market. So does this mean that there is no

hope of regional cooperation amongst the ENP countries?

It appears that there are essential differences in the same word “values” between the EU and the East Asians. The Ten Commandments of the EU is that of 10 values from a framework that has enabled the EU to achieve economic prosperity, harmonious relations between citizen, regions, and states by institutional integration. Whereas for the East Asians, 10 values form a framework that has enabled EA to achieve economic prosperity, harmonious relations between citizens, by de facto functional economic integration.

To conclude, the EU looks like tolerant of different values in Black Sea Synergy (BSS) in contrast with Eastern Partnership (EaP). In addition, the EU is unsettled in the BSR, which is evident in the difference between BSS and EaP. Thus, Euro-centric manner-like EaP is not suitable to the BSR.

Cooperation between Japan and the EU will contribute to peace and prosperity in the BSR, because Japan’s ‘value-oriented diplomacy’ is consistent with values of the EU; however, one must not overlook the essential difference in the same word ‘values’. Tolerance of different values and acceptance of diversity are pre-condition for regional cooperation on local ownership.

Finally, Japan role would not be limited to only conditionality for improvement of weakness, but also finding and making use of strength in the society. Japan would be a good advisor to the EU by suggesting different multilateral viewpoints based on experiences in East Asia. Japan would also be a good advisor to the BSR, based on both value oriented diplomacy and acceptance of diversity, because the BSR is an arena of coexistence of different values.

Keynote Speaker

*Ivan PETKOV, Special Envoy,
Representative of the Bulgarian BSEC Chairmanship-in-Office (Bulgaria)*

Before going into the specific aspects of the prospective of the Japan - Black Sea Cooperation I would like to start by explaining the motto of the Bulgarian Chairmanship, which reads “Bridging Seas, Energizing Cooperation”. We can apply it to the connection between Japan and the Black Sea Region. We both have our Sea, we both promote cooperation. Sea and Cooperation are part of the name of our Organization. These words are the ground work, the foundation of our activities, while the verbs “to bridge” and “to energize” are its engine.

Japan has always shown interest in the developments in the region. Japanese companies were involved in building the famous bridges across the Bosphorus, Japanese companies play a leading role in the ongoing construction of the first tunnel under the sea which will connect Asia with Europe; through the Official Development Assistance (ODA) Japan has been helping the development of the Black Sea Coast Ports by implementing the Bourgas Port Expansion Project and the new container terminals development project at the ports of Varna and Bourgas in Bulgaria and the rehabilitation of the port in Constanca in Romania. The metropolitan railway in the capital of my country Sofia is operating with Japanese financial support and know-how.

Japanese has shown interest in the work of South-East European Cooperation Initiative

Regional Center for combating trans border crime in Bucharest; Japan has been actively involved in the development of some offshore oil and natural gas fields in the Caspian Sea, in the constructions of Ceylan Oil Pipeline linking Caspian Sea oil reserves to the Turkish Mediterranean Sea Coast and then on to Europe; The South Caucasus natural gas pipeline from Azerbaijan to Turkey via Georgia. The Japanese company Sumitomo has been providing high quality pipes necessary for the implementation of these projects. Tokyo has been actively cooperating with the region and organizations. For instance, Japan was a valuable partner in the Stability Pact for Southeastern Europe.

The strategic importance of the Black Sea as a key geopolitical crossroad, linking Europe with Central Asia and the Caucasus is ever growing. In times of global financial crisis the huge economic potential of the area is even more attractive and challenging.

The accession of Bulgaria and Romania to the EU is a major geopolitical change since the Baltic Sea and the Black Sea already borders of the EU. The EU itself is going through dynamic changes. The Lisbon Treaty has recently entered into force provides for the construction of a more united and powerful EU capable of playing a key role in international politics. The presence of EU in the Black Sea Area as one of the major players will be a driving force to further promote cooperation. The EU is in deep need to upgrade energy efficiency, develop clean technologies and diversify its sources to grow a competitive, low carbon economy. The 27-nation union has set a target to get 20% of its energy from renewable resources by 2020, more than double the current share. The BSEC- EU interaction is directed towards a pragmatic, project oriented, result-based cooperation for resolving the most outstanding issues in the economic development of the region.

First - the Sectoral Partnerships in the frame of the Black Sea Synergy will be launched soon. On 14 December 2009, the European Commission announced that the partnership on Environment would be launched on 2010 March, while the Transport will be launched on June. The aim is to gather financial support for joint projects in priority areas of cooperation such as energy, transport and environment for all interested stakeholders from the BSEC with the active participation Bulgaria Greece and Romania.

Second - the necessity of effective participation of the European Commission as an Observer to BSEC and of involving more actively the other EU member states with an Observer or Sectoral Partner Status to BSEC, namely Austria, Germany, Italy, Poland, Slovakia, France, The Czech Republic, UK as well as the Swedish and the Spanish Chairmanships-in-Office (CIO) of the EU;

Third - the efforts of strengthening of BSEC-EU dialogue through meetings in Brussels in the framework of COEST working party. Bulgaria has proposed to the Swedish and Spanish Presidencies such BSEC-EU meetings. The first meeting already took place and was crowned by success. Additional asset for the region as a whole is the strategic partnership which is being developed between European Union and the Russian Federation.

Bulgaria believes that the importance of the contacts between the local and regional authorities in the Black Sea Region should be underlined. We believe that the Black Sea – Euro region could contribute for the practical regional economic cooperation. BSEC's think-tank - The International Center for Black Sea Studies has prepared a thorough study which gives a deep analysis and explores the perspectives for the cooperation between EU and BSEC.

Another important development and an area of global concern are the security issues. The concrete spheres for cooperation here - expanding cooperation in the areas of security and stability and to combat organized crime, illegal migration, terrorism, money laundering, illegal traffic of human beings, and fight against domestic violence.

The modern Black Sea world is the stepping up of the efforts to render the BSEC relevant and adequate to today's challenges and to unlock the potential for regional cooperation. Following the logic of the principles - Continuity, inclusiveness, and different geometry, we are going to improve the function of the organization, its capacity, and pursue value-added orientation of the working groups. Upon our agenda is the development of the regional transport infrastructure. The memoranda of understanding for the coordinated development of the Black Sea Ring Highway and the Motorways of the sea offer us a legal basis for enhancing the cooperation among us.

In the area of "soft security", we believe that a working visit in the Black Sea Border Coordination and Information Center in Bourgas will be of interest for all BSEC member states and not only for the littoral states.

Very encouraging is the sustaining interest of the U.S. (an Observer to BSEC) to the Black Sea Region. The U.S. Agency for International Development, which is an independent federal government agency and the U.S. Energy Agency, an association of public and private energy-related organizations and agencies are actively participating in the discussions on the energy field. Recently they have contributed a substantial report for the development of the electrical networks interconnection projects in the Black Sea Region.

A higher level of cooperation was reached in establishing closer ties with other important organizations. In 2009 BSEC became a friend of the UN Alliance of Civilizations; a Memorandum of Understanding on Cooperation between the Permanent International Secretariat of the Organization of the Black Sea Economic Cooperation and the Central European Initiative – Executive Secretariat is being prepared.

The picture will not be complete if we fail to mention the vast possibilities of cooperation between Japan and the Black Sea countries in culture, tourism, and sport. We organized in the end of last year a highly successful session of the Working group on Tourism. Our region is famous for ancient civilizations, beautiful countryside, sunny beaches, ski resorts, rich cuisine and cultural diversity.

The free circulation of people, goods and services in our region, is constantly developing. There are two big forthcoming sport events in our region – Winter Olympic Games in 2014 in Sochi on the Black Sea Coast in the Russian Federation and the European Soccer Championship that Poland and Ukraine will organize jointly in 2012.

The times when the Japanese foreign policy towards the Black Sea Region was cautious should be over. Faithful to the universal values, such as democracy and market economy Japan would only benefit from its active involvement in the region. We all need are interdependent and mutually beneficial contacts and fruitful cooperation. The Bulgarian CIO shares the opinion that it would be very beneficial to both Japan and the Black Sea Region if the question of granting an Observer status of Japan to BSEC finds its successful solution. As a global player and a leading economic power, a country with a well known expertise in environmental matters, water

management, pioneer in cutting-edge science and technology, good governance, seismic protection, impressive track record of inter cultural and inter faith dialogue, Japan could play a vital role in upgrading peace, stability and cooperation in the Black Sea Area.

Bulgaria supports the objective of Japan to become a permanent member of the UN Security Council and will do everything it can to realize this goal in order to allow Japan to take the place it deserves in the international arena.

*Lead Discussant A Ioan Mircea PASCU, Member of the European Parliament (EP),
Vice-Chair of the Foreign Affairs Committee of EP*

The source of European Neighborhood Policy should be found in the “security strategy” of the EU. When one speaks of the EU “strategy” towards the Black Sea, one can do it only generically, because the EU has not elaborated a “strategy” as such, but only a “synergy”, which is stressing the bridging role of the Black Sea to other areas to which the EU has elaborated a proper “strategy”. Indeed, the author has noticed correctly the lack of integrating traditions in the area, given the intersection of so many interests of both the great powers in the region and of outside powers for a long time.

When comparing the Black Sea “Synergy” with the Eastern Partnership, we should be aware that the former is an approach which, therefore, is inevitably integrative, while the latter is an instrument which, in turn, is inevitably differentiating. Russia and Turkey are not part of the Eastern Partnership because the former is a “strategic” partner of the EU and the latter is a “candidate”; therefore they belong to different “boxes”. Western Balkans, for instance, which will eventually be integrated into the EU, are not part of the Neighborhood Policy.

Professor Hasumi is correct when he sees the cooperation between Japan and the EU as a contribution to peace and prosperity in the area, only that the two actors have rather different philosophies on international politics. As for the report between functional and institutional integration, if the two can be dissociated in East Asia, I am afraid that is not possible in the Black Sea Area; there, the institutional integration is the main incentive. True that, as the author notes, due to the complexities of the area, the EU is rather hesitant in fully approaching the Black Sea Area.

*Lead Discussant B KAIFU Atsushi, Director, Central and South Eastern
Europe Division, European Affairs Bureau, Ministry of Foreign Affairs*

Japan adopts 4 policies towards the Black-Sea area : i) Considering the Black Sea as “Sea of Potentials” and providing the Black-Sea region with ODA to promote its economic development ii) Improving infrastructure of the region with a view to increase connectivity throughout the Eurasian continent; iii) Consolidating a vibrant society to which all the social groups actively participate in Black-Sea region; iv) Tackling common global issues and challenges with the Black-Sea neighbouring countries.

The important point is how to implement these policies. Although we face difficulties in executing the policies, the Black-Sea neighbouring countries need to maintain transparency,

exercise ownerships and possess an open, forward-looking willingness to promote regional cooperation.

Lead Discussant C *Sergei GONCHARENKO, Deputy Director, Department of Economic Cooperation, Ministry of Foreign Affairs of the Russian Federation (Russia)*

The Russian Federation fully supports development of economic cooperation in the Black Sea region. The BSEC is the only full-fledged structured international economic organization in the Black Sea Region, which contributes to enhancement of multilateral economic cooperation. The organization has considerable potential and real aspects for implementation of mutually beneficial projects – in the fields of transport, energy, trade, others.

Implementation of two memoranda in the sphere of transport – on the Black Sea Ring Highway and on the Motorways of the Sea, provided BSEC with a wide range of prospects and opportunities for cooperation in the transport field. Another project beneficial for all BSEC Member States, proposed by the Russian Federation, is the project on development of interconnections of electricity networks in the region and integration into the Trans-European energy networks.

The Black Sea Trade and Development Bank, which is considered to be the financial pillar of the BSEC, has remained operative even at times of global financial crisis and now continues to grant credits. Furthermore, we see today the permanent development of BSEC-EU interaction. Several documents related to this cooperation are actively discussed in BSEC; common principles on establishment of the BSEC-EU sectoral partnerships have already been agreed.

Finally, the Russian National Committee on the BSEC, which coordinates participation of Russian business and academic communities in the BSEC, has been very brisk. Few months ago, Mr. Victor ARKHIPOV has been elected as the President of the Committee. Now the Committee renders assistance to the Russian non-governmental organizations on establishing cooperation with partners in BSEC Member States.

Lead Discussant D *HIROSE Yoko, Associate Professor, University of Shizuoka*

It is very useful to learn the European experiments and cooperate with EU making use of Japanese strong points for Japan – Black Sea area Cooperation. We should continue to make efforts to supply economic and technical aids of many fields for Black Sea Area.

Firstly, we should cooperate deeper in the energy and environment. Japan is not resource rich country and energy problem is always serious, so the cooperation with Black Sea area in the energy field would be important for Japanese strategic aspect. In addition, there are many environmental problems in the Black Sea area and Japan has good skills of ecology and has been instructing for some countries in the Black Sea area.

Secondly, Japan should provide economic aids for Black Sea area to enable to attain economic independence and maintain sustainable developments. To achieve this, not only that of

governmental-level, but also cooperations at various levels, such as private sectors, schools, NGOs, and individual, is necessary. The exchange in the private sector, such as studying abroad in Japan, sending Japanese specialists, and promoting tourism is effective. Japan should make efforts to create sustainable good industry including joint venture to produce plenty of employments in the Black Sea area.

Thirdly, Japan should contribute to the peace in the Black Sea area. There are many conflicts and frozen conflicts in the Black Sea area and such conflicts violate people's stable life and development seriously. Because Japan is not an official mediator of the peace processes in the Black Sea area, it is difficult for Japan to mediate them from its historical and geopolitical position; however Japan can contribute to peace. At first, Japan should contribute to improve quality of life in the Black Sea Area, by creating new business and jobs. The stability is the most fundamental factor for the peace. In addition, peace process can be promoted by 2-track diplomacy, in other words, peace building would be promoted not only by the governmental level, but also by the private and unofficial level. Such attempts would be done with the smaller level's cooperation between Japan and Black Sea area.

Lead Discussant E *Bujar DIDA, Ambassador of the Republic of Albania to Japan*
(Albania)

This third dialogue on the format Japan and the Black Sea Economic Cooperation (BSEC) offers a concrete possibility that interested parties could know better the activities and bilateral interests, in order that the long time cooperation already established, would be enhanced further in the future.

For the Republic of Albania, strengthening of the regional cooperation and enhancing neighborhood cooperation are key points of the priorities of the Albania foreign policy. On this context, The Republic of Albania is committed for the intensive cooperation on the frame of the BSEC, where Albania is the co-foundation country from June 1992.

The increase of the affectivity of the BSEC would be one of the directions of the Japan-Black Sea Area Cooperation. "Guidelines for the increase of the effectiveness of the BSEC Organization" is prepared already at the BSEC meeting of, in Tirana on 23 October 2008. But the reform of the structure of BSEC is continuing and Japan could provide more on this term as an observer participant of the BSEC. Indeed on the second dialogue , "The Japan-Wider Black Sea Area Dialogue" held on November 27-28, 2005, Japan has provided very useful input.

The sector cooperation and enhancement of the cooperation are vital in the priority fields such is energy and transport. Albania has been supportive of all the regional initiatives for developing the infrastructure for oil and natural gas transportation from the Caspian and Central Asia to the Central Europe and the Black Sea Ring Highway. Japan, which has the bilateral relations with all the BSEC countries, is a leader on the energy matters, including the green energy, efficiency increase on the fuel combustion, and is very well structured on the direct investments on this field and transport. Thus, Japan's engagement on these priorities of BSEC countries could be the direct input.

Cooperation between the BSEC and European Union (EU) would be finalized through the

generation of the financed projects on the bilateral interests of both sides. The enhancement of cooperation BSEC-EU would make the financing instruments of the Black Sea Synergy feasible. The increase of the role of “observer” countries in the BSEC, especially in the Fund of Project Development and the activities of the Working Groups would improve the efficiency of the operation of the Black Sea Economic Cooperation through the financial mechanisms.

Free Discussions

All Participants

A participant from the BSEC shared his opinion on the EU and its strategic partnerships with the Black Sea countries and Eastern partnership. He said that the EU should have made one strategy which would combine the elements of both the Black Sea synergy and Eastern partnership. This would have made more sense, be practical and made things much easier for all the parties included. To analyze why the two were not combined, the possibility of consumer’s value comparison could be considered. He also said that he personally favors East Asian pact over EU because so far the Eastern partners have been practical in terms of value implementation and have shown results, whereas the EU, their ten commandments for example, only half of their values have been achieved.

Another participant from the BSEC said that the common energy policy within the EU would be difficult to achieve because the member states all have their own energy policies. It would take some time before the EU members would come to an agreement. Regarding the partnership between the EU and Black Sea region, he believes that it would depend on the EU’s opt for a global definition – whether it chooses to remain as regional soft power or global power. A Japanese participant responded that since Japan and the EU share similar views and agenda towards the Black Sea region, they could seek global partnership.

A Black Sea region partnership asked in what ways Japan could be involved with BSEC financially, since it cannot participate in alternative way due to some sensitive issues (such as regional historical issues with its neighbors). A Japanese participant responded that some possible participation methods on Japanese part, in financial aspect, are to make us of Japan’s ODA budget and resources of private sectors. For example, once the JICA receives concrete project proposal, ODA could be provided to finance the project. And in case of finances from private sector would require business negotiation – trade companies and energy sector -in terms of business opportunities in the Black Sea region.

A Japanese participant asked if Japan was going to be involved with BSEC as an observer state, like that of EU. A participant responded that the Japanese government has already registered its interest for the observer position; however, BSEC has offered another way of participation (not the main entrance way as an observer state) due to sensitive reasons and that the Japanese government is considering the option.

A Japanese participant asked what the merits of US forces in the Black Sea region, such as Bulgaria and Romania, were. A participant from the BSEC responded that the US force is not fully active in the region and that the Romanian military is merely sharing the military facilities for the Americans to come and train with Romanian soldiers. He said that the merits were that the Americans were providing investments to military facilities, while only temporarily using the facility in the region.

A Japanese participant said that Japan has been very enthusiastic to develop regional co-operational organization in the Asia region since the 1960s, such as the Asian Development Bank and ASEAN; however, due to its neighboring states being weary of the possibility of Japan's hidden agenda behind these proposals, they did not seek to take upon leadership in these organizations. Therefore, in regards to Japan's participation in BSEC, Japan should be careful and be respectful to the BSEC members and seek bilateral partnership. Moreover, Japan should seek to work with EU, when helping BSEC projects, because EU is already highly involved in BSEC projects.

VI Appendix

1. Distributed Materials

(1) Mithat RENDE

Third Japan-Black Sea Area Dialogue Prospects of Changing Wider Black Sea Area

and the Role of Japan “Strategic Implications of Security in the Black Sea Area”

Tokyo, 27 January 2010

By
Ambassador Mithat Rende
Director General, Economic Affairs
Ministry of Foreign Affairs of the Republic of Turkey

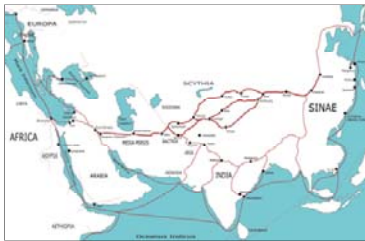
1

Turkey and Japan At the Western and the Eastern Banks of the Silk Road



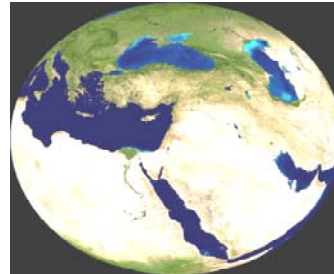
2

Historical Silk Road



3

The World as a Whole



4

EURASIA



5

The Black Sea



6

The Black Sea and the Turkish Straits

- The Black Sea: a semi-closed sea
- 432.000 square kilometers of area
- 4340 kilometers long coastline
- Two narrow outlets through an inner sea
- The Turkish Straits:
 - The Strait of Istanbul
 - The Strait of Çanakkale
- The Sea of Marmara

7

TURKISH STRAITS

Total Length of Turkish Straits : 164 NM



9

The Legal Regime / Montreux Convention (1936)

Regulates passage

Merchant vessels: enjoy freedom of passage

War vessels: subject to some restrictions

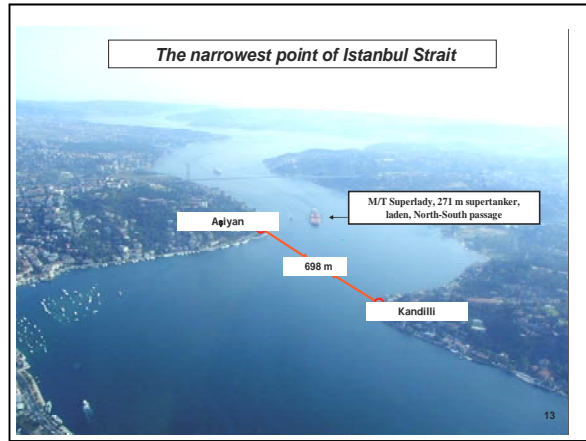
tonage limitations

duration of stay in the Black Sea

Diligently implemented by Turkey

- Impartial implementation
- Revised regulations (1998)
- Vessel Traffic System (VTS) (2003)

9



13

A very sharp turn at Yeniköy



15

Tanker Traffic Through the Strait of Istanbul

- 1996: 60 million ton/per annum
- 2008: 160 million ton/per annum
- 1996: 4,000 tankers
- 2008: 10,000 tankers

12

Oil Transportation through the Turkish Straits

- Peculiarities : Narrow and sharp turns, rapidly changing hydro morphological conditions
- Safety of navigation at risk
- Istanbul at risk
 - Oil tankers
 - Other tankers and vessels carrying hazardous cargo

13

Safety of Navigation at Risk

Collision & Fire



1979 M/V Evriali collision with M/T Independenta in the Istanbul Strait

14

Turkey's Policy Towards the Region

- Inclusiveness
- Transparency
- Mutual respect
- Emphasis on the priorities of the Region
- Prevention of new dividing lines

15

Turkey's Security Concept

- Broad definition of Security
- Multi-dimensional and comprehensive
 - Maritime Area security
 - Security of the Wider Black Sea Area
- Not limited to hard security
- Focus on challenges and assymetric threats
 - Terrorism
 - Illegal migration
 - Economic and Financial Crisis
 - Climate change
 - Epidemic diseases

16

Hard Security Mechanisms

- Black Sea Maritime Area
- 6 littoral countries
 - Turkey
 - Russia
 - Ukraine
 - Romania
 - Bulgaria
 - Georgia
- Wider Black Sea Area
 - The Balkans, the Caucasus including the Caspian Sea and beyond, as well as the Eastern Mediterranean reaching into the Middle East

17

The Black Sea



18

Turkey's Black Sea Security Policy

- Consolidation of peace, stability and prosperity
- Enhancing economic cooperation and free trade
- Zero problems with the neighbours
- Comprehensive settlement of frozen conflicts
 - The Caucasus Stability and Cooperation Platform

19

Hard Security Mechanisms Initiated by Turkey

- The BLACKSEAFOR
 - Confidence building mechanism
 - Humanitarian aid
 - Search and rescue
 - Environmental protection
 - Port visits
- Operation Black Sea Harmony
 - Contributing to global efforts against asymmetric threats
 - Harmonize activities by littoral states
 - Closely affiliated with NATO

20

Black Sea Cooperation Organization (BSEC)

- An economic cooperation initiative
- Initiated by Turkey, established in 1992
- The most inclusive and full-fledged organization in the Black Sea
- Institutional maturity
- Secretariat in Istanbul
- Up to 18 Working Groups, covering areas from transport, energy, environment, culture, education to disaster management to illegal migration and organized crime.

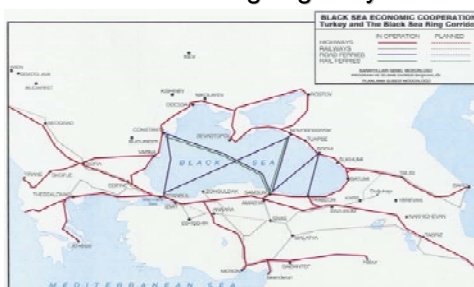
21

Black Sea Transport Routes



22

Black Sea Ring Highway

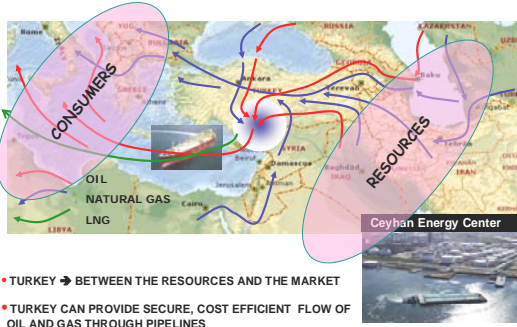


23

Energy Supply Security and the Role of the Black Sea Region

- The passage of Oil tankers through the Turkish Straits
- Major Pipeline Projects
 - BTC
 - BTE Natural Gas Pipeline
 - Blue Stream
 - Baku-Supsa Oil Pipeline
 - Tengiz-Novorossisk
 - Samsun Ceyhan
 - South Stream
 - Nabucco

24



Black Sea Energy Transit Routes



Baku-Tbilisi-Ceyhan (BTC)



- 1776 km of length
- Second longest oil pipeline in the world
- First by-pass pipeline
- A success story

Diversification of Natural Gas Pipeline Routes and Sources



TURKEY-BULGARIA-ROMANY-HUNGARY-AUSTRIA (NABUCCO) NATURAL GAS PIPELINE PROJECT



Capacity :
25.5 - 31 bcm/year
(900.5-1094.7
billion cf)

Planned start of
operation
: 2012

**CONSTRUCTION
OF THE PIPELINE**

Grid (to Ankara):
~ 300km =
Nabucco-Stage-I P/L

GERMAN COMPANY
"RWE" JOINED THE
PROJECT AS THE
SIXTH PARTNER AS
OF 5 February 2008

Transportation of Oil and Gas to Western Markets



- OIL
- NATURAL GAS
- LNG

Strategic Implications of Security in the Black Sea Area

Prof. Shigeo Mutsushika
Director, Wider Europe Research Center
Graduate School of International Relations
University of Shizuoka

Strategic Implications of security

1. Geo-strategic characteristics
 - (1) Among Balkan, Middle East and Central Asia
 - Competition between the US and Russia for increasing military power and military cooperation
 - (2) Mediterranean ~ Balkan ~ Central Asia ~ Afghanistan
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 - (1) triple transformation (democratization, market economy, state and nation buildings) in former republics of the USSR
 - frozen conflicts; democratization etc.
 - (2) power struggle among the big powers over the Black Sea region
 - tug of war between NATO, the EU, the US and Russia in the Black Sea region
4. Diversity of the region
 - Dominant regional powers = Turkey and Russia
 - NATO members/ non-members
 - EU members/ non-members
 - Balkan, WNIS(Western New Independent States), Caucasus

1. (1) Russian Military Bases

- Black Sea Fleet in Crimea (Ukraine) ~2017
- Novorossisk(Russia)
- Gyumri base (Armenia)
- Qabala (Gabala) rader base (Azerbaijan)
- Batumi, Akhalkalaki(under Georgian control, 2007)
- Vaziani (under Georgian control, 2001)
- Gudauta(Abkhazia; disbanded in 2007)
- Russian PKF (Abkhazia, South Ossetia)
- * Plan to construct Russian naval base in Ochamchire (Abkhazia) in 2010(?)
- Transnistria (Moldova)
- * 2008.8 War in Georgia
 - Russia: Black Sea Fleet (from Sevastopol and Novorossisk)
 - US: warship, the USS McFaul, USS Mount Whitney to Poti
- (* Other CIS states)
- Hantsavichy (Gantsevichi) rader base (Belarus)
- Sary Shagan rader base and the others (Kazakhstan)
- Kant air base (Kyrgyzstan)
- Dushanbe, Kulyab, Kurgan-Tyube (Tajikistan)

1. (1) US Military Bases and Military Cooperation

- Incirlik base in Turkey (from the beginning of 1950s')
- Mihail Kogalniceanu base, Babadag training center, Cincu and Samardan (ranges) in Romania (2005.12)
- Bezmer air base, Graf Ignatievo airfield, Novo Selo range, Burgas (storage facilities) in Bulgaria (2006.4.28)
- Military training by the US (Georgia)
- Azerbaijan (ISAF: 2007.3~)
 - cf. Negotiation on the use of military base by the US in 2005
- US missile defense and radar installations (Poland and Czech)
 - cf. it was reviewed by Obama administration

1. (1) Conflicts between the US and Russia on Military dimension around the BSA

<US demand>

- Ratification of the CFE treaty by the West on condition of withdrawal of Russian army from Moldova and Georgia
- Deployment of defense missiles in Central Europe
- US use of military bases in Bulgaria and Rumania

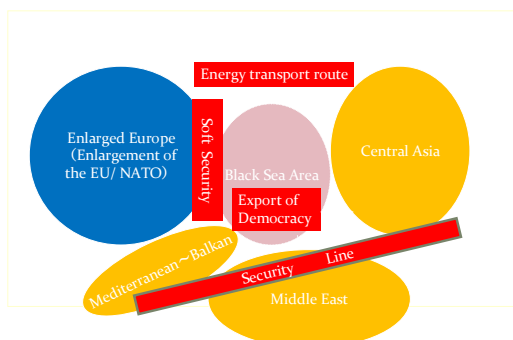
<Russian demand>

- Suspension of the CFE treaty by Russia in December 2007
- Linkage of Kosovo with 'frozen conflicts' in Transnistria, South Ossetia, Abkhazia and Nagorno-Karabakh
- Accession of the Baltic states to the Adapted CFE Treaty
- Abolition of the flank restriction between north and south within Russian territory by the CFE Treaty
- A review of the numerical ceilings on arms deployment in Bulgaria and Rumania within the Adapted CFE Treaty

Strategic Implications of security

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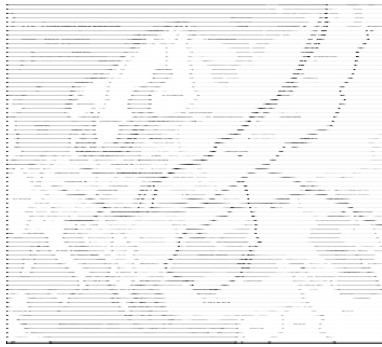
The Interests of the West in the BSA ?



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1. (2) Competition for energy transport route - Gas Export Routes to Europe



1. (2) - Blue Stream and South Stream



1. (2) Nabucco Pipeline



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3. Frozen Conflicts



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Two main tendencies - Status Quo and Revisionism at Four Dimensions and Main

<Two main tendencies: Status-Quo vs Revisionism>

<Level of Analysis>

- ① Wider Europe international
- ② Regional (Black Sea)
- ③ National
- ④ Sub-national
- ⑤ Transnational - vertical & horizontal linkage

* Transnational Actors:

Political elite, nationalist organizations, religious organizations, NGOs, enterprises, terrorist organizations, sub-national regions, etc.

<Issues>

- ① Energy
- ② Democracy
- ③ Frozen Conflicts
- ④ Military competition between the US and Russia

Actual International Politics around the Black Sea Area

- 2003~2004 EU/NATO Enlargements, Rose/Orange revolutions, 'Kozak Memorandum', revitalization of the GUAM
- 2005~2007 US/EU/NATO had its own problems:
 - Iraq; EU Constitution, Enlargement fatigue, Afghanistan, internal instability in Ukraine and Georgia
 - Russia's assertive foreign policy
 - Confrontation
 - 'energy war', Missile defense, CFE Treaty, Kosovo etc.
- 2008 War in Georgia
- 2009~present Rapprochement between the West and Russia:
 - Review of Missile Defense policy; follow-on treaty to the START, NATO-Russia relations, EU-Russia relations, a new European Security Treaty

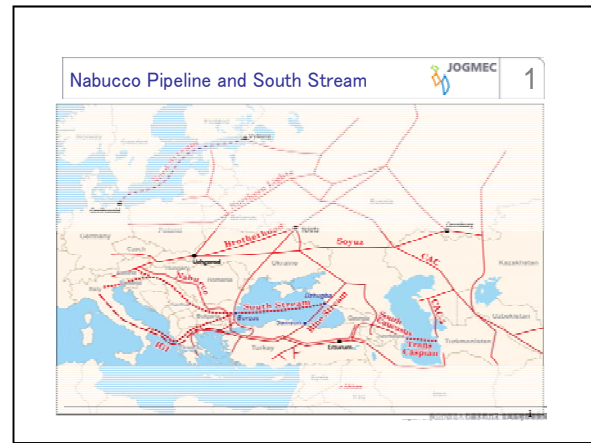
(3) MOTOMURA Masumi

JOGMEC
The THIRD JAPAN-BLACK SEA AREA DIALOGUE

Energy Flow through the Black Sea Region

Jan. 27, 2010
Masumi Motomura (JOGMEC)

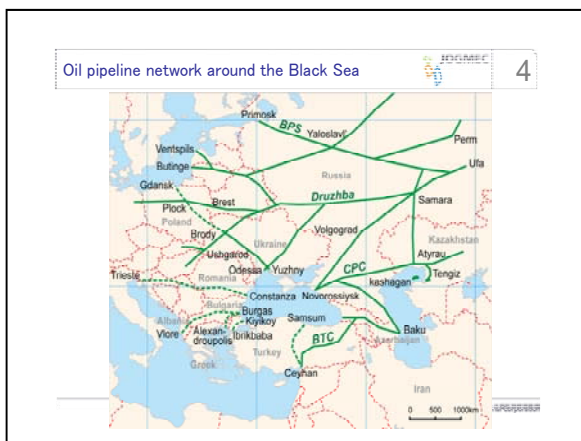
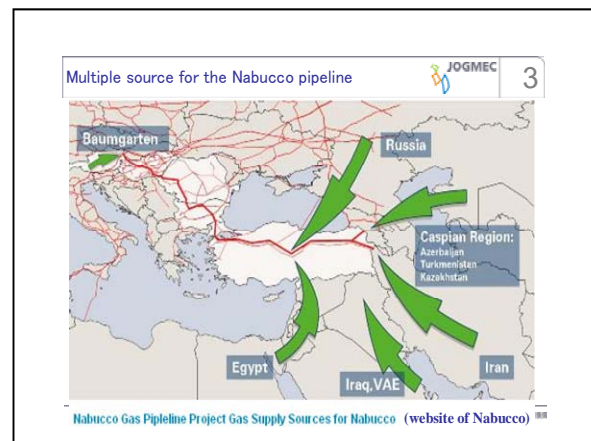
独立行政法人石油天然ガス・金属鉱物資源機構



UNCLOS Article 79

Submarine cables and pipelines on the continental shelf

- 1. All States are entitled to lay submarine cables and pipelines on the continental shelf, in accordance with the provisions of this article.
- 3. The delineation of the course for the laying of such pipelines on the continental shelf is subject to the consent of the coastal State.



**THE BLACK SEA AREA: ECONOMIC,
ENERGY AND ENVIRONMENTAL ISSUES IN
THE 2010s: COMPARISONS WITH ASEAN**

The 3rd Japan-Black Sea Area Dialogue
at
International House, Tokyo

Ryokichi Hirono
Professor Emeritus
Seikei University
27 January, 2010

1

CONTENTS

Introduction

1. From Confusion to Recovery in the Black Sea Area during the Last Two Decades
2. Regional Cooperation: BSEC and ASEAN
 - 1) Population and GDP
 - 2) Intra-regional Trade and Investment
 - 3) Energy Issues
 - 4) Environmental Sustainability
3. Some Suggestions on National and Regional Policies to deal with these Three Major Issues

2

Introduction

- 1) Many thanks for the sincere appreciation by the Ukraine Ambassador His Excellency Dr. Lulinich for the Japanese cooperation, both official and private, to member countries of the Black Sea Economic Cooperation, as well as for his encouraging remarks for the potentials of Japan's future cooperation with BSEC ;
- 2) Since ASEAN, Association of South East Nations, had had some achievements in those priority areas such as trade, investment, financial, energy, transport, telecommunications and environmental cooperation, it might be useful to the participants from the BSEC countries that the major focus of my comments this morning be given to some lessons to be learnt from the ASEAN experiences and Japanese involvement in the process.

3

1.

**FROM CONFUSION TO
RECOVERY IN THE
BLACK SEA AREA**

4

**1A. Economic Growth
1960-2009**

	1960-70	70-80	80-90	90-00	2000-07	08	09
Dvlping	5.2	5.8	3.4	3.6	6.2	n.a.	n.a.
EAP	6.2	7.2	8.0	7.2	8.9	6.4	5.6
China	3.7	5.5	9.5	10.3	10.2	9.0	10.1
SA	4.7	3.0	5.6	5.6	7.3	5.8	n.a.
CEE/CA	n.a.	n.a.	4.2 *	-6.2*	6.1	5.6	-6.0
Armenia	n.a.	n.a.	n.a.	n.a.	12.7	6.8	n.a.
Azerbaijan	n.a.	n.a.	n.a.	n.a.	17.2	10.8	n.a.
Bulgaria	n.a.	n.a.	3.4*	-13.0*	5.7	n.a.	n.a.
Georgia	n.a.	n.a.	n.a.	n.a.	8.3	4.0	n.a.
Kazakhstan	n.a.	n.a.	n.a.	n.a.	10.0	2.4	n.a.
Romania	n.a.	n.a.	6.1*	-15.0*	6.1	n.a.	n.a.
Russian Federation	n.a.	n.a.	4.3*	-20.0*	6.6	5.6	n.a.
Turkey	n.a.	n.a.	n.a.	n.a.	5.9	n.a.	n.a.
Ukraine	n.a.	n.a.	n.a.	n.a.	7.6	7.4	n.a.
Japan	8.9	6.8	4.1	1.3	1.6	-0.7	1.8
EU	6.6	2.2	2.2	1.5	1.5	0.7	-2.7
World	4.9	3.4	3.2	2.6	3.0	2.4	2.8

Sources: World Bank, WDR 1972, 1982, 1992, 2002 & 2009; PECC, State of the Region 2007-2008; OECD, Economic Outlook 82, 2008.

Notes: Figures are for Germany prior to 2008 and those for 2008 and 2009 are for the EU's average.
* - Figures are for 1983 and 1993.

5

**1B. Country and Regional
Shares of the World GDP**

	1950	1960	1970	1980	1990	2000	2007
Dvlping	14.0	16.0	18.0	18.0	17.0	20.9	26.0
EAP	4.0	4.2	4.8	6.2	7.0	7.4	8.2
China	1.3	1.9	1.7	2.5	2.5	3.5	6.0
SA	1.8	1.9	2.0	1.9	2.0	2.2	2.6
India	1.2	1.3	0.8	1.4	1.5	1.5	2.2
EE	3.8	4.2	4.9	4.8	2.8	1.9	1.7
CA	11.2	11.4	11.6	11.0	7.7	6.0	6.5
Armenia*	n.a.	n.a.	n.a.	n.a.	Ins.	Ins.	Ins.
Romania	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.3
Russian Federation	n.a.	n.a.	n.a.	11.0	7.7	n.a.	2.4
Turkey	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.2
Ukraine	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.26
Japan	1.2	1.7	2.7	9.9	16.3	14.9	8.1
Germany	3.5	2.9	2.5	7.1	7.3	6.0	6.1
USA	43.7	20.4	13.3	24.7	28.2	31.5	25.4
World * 1,100	2,472	7,328	10,674	19,328	30,971	48,245	

Source: World Bank, bid.
Note: * - Including Azerbaijan, Bulgaria, Georgia. * US Billion \$.

6

2.

**REGIONAL
COOPERATION: BSEC
AND ASEAN**

7

**2A. BSEC and ASEAN: BASIC DATA,
2007**

	BSEC	ASEAN
Establishment	1992	1967
Membership	8	5 -> 6 -> 10
Secretariat	Jakarta, Indonesia	Ankara, Turkey
Decision-making	Consensus or Majority	Consensus
Major Organs	Heads of State Summit Sectoral Meetings Greater BSEC	HSS Sectoral Meetings ASEAN Plus Three East Asian Summit
Major External Cooperation Mechanisms	CIS Shanghai Cooperation	APEC
Population, 2007	262 million	567 million
GDP, 2007	US\$2,204,232 million	US\$1,271,966 million
Merchandise Exports, 2007	US\$581,897 million	US\$822,344 million
Merchandise Imports, 2007	US\$ 567,780 million	US\$771,134 million
FDI Net Inflows, 2006	US\$92,772 million	US\$50,454 million

Source: World Bank, WDR 2009.

8

2B1 BSEC: Intra-regional Trade, 2000-05

Countries	Trade as % GDP	Intra-regional trade as % TT
Armenia	43.9	35.9
Azerbaijan	111.3	26.7
Bulgaria	147.0	25.5
Georgia	89.9	39.4
Romania	78.5	18.7
Russian Federation	55.1	33.1
Turkey	64.1	9.3
Ukraine	97.3	40.6
BSEC	52.2	n.a.

Source: World Bank, WDR 2009.

9

2B2 ASEAN: Intra-regional Trade, 2000-05

Countries	Total Trade as % GDP	Intra-regional trade as % TT
Brunei	96.2	73.2= 33.4 +25.1+ 3.5+ 11.2
Cambodia	144.5	37.8= 24.8 + 2.5+ 8.2+ 2.3
Indonesia	56.9	50.1= 18.2 +14.6+ 9.3+ 8.0
Lao, PDR	76.2	75.5= 65.1 + 1.2+ 8.4+ 0.8
Malaysia	217.8	50.1= 25.4 +10.8+ 9.5+ 4.4
Myanmar	38.6	61.8= 35.9 + 4.1+19.0+ 2.8
Philippines	94.0	43.7= 15.6 +15.0+ 8.4+ 4.7
Singapore	473.5	47.2= 26.1 + 6.8+10.5+ 3.8
Thailand	143.5	47.3= 18.1 +16.4+ 9.8+ 3.0
Vietnam	150.3	52.3= 23.5 +10.8+12.0+ 6.0
ASEAN	138.8	48.2= 22.8 +11.2+ 9.9+ 4.3

Sources: World Bank, WDR 2009 & ASEAN-Japan Center, Statistical Pocketbook, 2007. 11

10

2C1 BSEC: Foreign Direct Investment and ODA, 1990 & 2005

Countries	FDI as % GDP		ODA as % of GDP	
	1990	2005	1990	2005
Armenia	81.4	5.3	n.a.	3.9
Azerbaijan	ins.	13.4	n.a.	1.8
Bulgaria	ins.	9.8	n.a.	n.a.
Georgia	n.a.	7.0	n.a.	4.8
Romania	ins.	6.7	n.a.	n.a.
Russian Federation	n.a.	2.0	irr.	irr.
Turkey	0.5	2.7	0.8	0.1
Ukraine	ins.	9.4	n.a.	0.5
BSEC	52.2	n.a.	n.a.	n.a.

Source: United Nations Development Programme, Human Development Report 2009.

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2C2 ASEAN: Foreign Direct Investment and ODA, 1990 & 2005

Countries	FDI as % GDP		ODA as % of GDP	
	1990	2005	1990	2005
Brunei	0.2	2.4	0.1	0
Cambodia	ins.	6.1	3.7	8.7
Indonesia	1.0	1.8	1.5	9.9
Lao, PDR	0.7	1.0	17.2	10.3
Malaysia	5.3	3.0	1.1	ins.
Myanmar	8.1	2.3	n.a.	2.3
Philippines	1.2	1.1	2.9	0.6
Singapore	15.1	17.2	ins.	0
Thailand	2.9	2.6	0.9	-0.1
Vietnam	2.8	3.7	2.8	3.6
ASEAN	3.7	3.5	n.a.	4.5

Sources: United Nations Development Programme, Human Development Report 2009 & ASEAN-Japan Center, Statistical Pocketbook, 2007.

12

2D1 BSEC: Electricity Consumption, Energy Efficiency and Forest Losses, 1990-2005

Countries	Electricity per capita2004	GDP/kg oe 2004	Forest area a.a.change
Armenia	1,744	5.6	-1.2
Azerbaijan	2,796	2.5	n.a.
Bulgaria	4,582	3.0	0.6
Georgia	1,577	4.1	n.a.
Romania	2,548	4.5	0.0
Russian Federation	6,425	2.0	0.0
Turkey	2,122	6.2	0.3
Ukraine	3,727	2.0	0.2

Source: United Nations Development Programme, Human Development Report 2009.

13

2D2 ASEAN: Electricity Consumption, Energy Efficiency and Forest Losses, 1990-2005

Countries	Electricity per capita2004	GDP/kg oe 2004	Forest area a.a.change
Brunei	8,842	n.a.	-0.7
Cambodia	10	n.a.	-1.3
Indonesia	476	4.1	-1.6
Lao, PDR	126	n.a.	-0.6
Malaysia	3,196	n.a.	-0.3
Myanmar	129	n.a.	-1.2
Philippines	677	7.9	-2.2
Singapore	8,685	4.4	0.0
Thailand	2,020	4.9	-0.6
Vietnam	560	4.2	2.5

Sources: United Nations Development Programme, Human Development Report 2009.

14

2E1 BSEC: Energy Supply and Sources, 2005

Countries	Primary energy supply (mt. oe)	Coal	Oil	NG	HSWG	BW	NE
Armenia	2.6	0.0	16.6	52.3	6.0	ins.	27.7
Azerbaijan	13.8	0.0	38.6	58.7	1.9	ins.	0.0
Bulgaria	20.1	34.6	24.6	14.0	2.0	3.7	24.3
Georgia	3.2	0.5	25.3	33.5	17.0	20.1	0.0
Romania	38.3	22.7	24.6	36.4	4.7	8.5	3.8
Russian Federation	646.7	16.0	20.6	54.1	2.4	1.1	6.1
Turkey	85.2	26.4	35.1	26.7	5.6	6.3	0.0
Ukraine	143.2	26.0	10.3	47.1	0.7	0.2	16.1

Source: United Nations Development Programme, Human Development Report 2009.

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2E2 ASEAN: Energy Supply and Sources, 2005

Countries	Primary energy supply (mt. oe)	Coal	Oil	NG	HSWG	BW	NE
Brunei	2.6	0.0	29.7	69.8	0.0	0.7	0.0
Cambodia	4.8	0.0	26.6	0.0	0.1	73.2	0.0
Indonesia	179.5	14.2	36.6	17.1	3.7	28.5	0.0
Lao, PDR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Malaysia	61.3	9.6	43.3	41.8	0.8	4.5	0.0
Myanmar	14.7	0.6	13.7	14.4	1.8	69.6	0.0
Philippines	44.7	13.6	35.4	5.9	20.7	24.4	0.0
Singapore	30.1	ins.	80.3	19.7	0.0	0.0	0.0
Thailand	100.0	11.2	45.5	25.9	0.5	16.5	0.0
Vietnam	51.3	15.8	24.3	9.6	3.6	46.7	0.0

Sources: United Nations Development Programme, Human Development Report 2009.

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2F1 BSEC: CO₂ Emission, 2004

Countries	CO ₂ emission mt.	Share of World total	Per Capita ton	ktCO ₂ /kt. Oe	ktCO ₂ / \$million
Armenia	3.6	ins.	1.2	1.71	0.31
Azerbaijan	31.3	0.1	3.8	2.42	1.06
Bulgaria	42.5	0.1	5.5	2.25	0.72
Georgia	3.9	ins.	0.8	1.38	0.32
Romania	90.4	0.3	4.2	2.34	0.54
Russian Federation	1,524.1	5.3	10.6	2.38	1.17
Turkey	226.0	0.8	3.2	2.76	0.45
Ukraine	329.8	1.1	7.0	2.35	1.18

Source: United Nations Development Programme, Human Development Report 2009.

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2F2 ASEAN: CO₂ Emission, 2004

Countries	CO ₂ emission mt.	Share of World Total	Per Capita ton	ktCO ₂ /kt. Oe	ktCO ₂ /\$mil.
Brunei	8.8	ins.	24.0	3.27	n.a.
Cambodia	0.5	ins.	ins.	n.a.	0.02
Indonesia	378.0	1.3	1.7	2.17	0.53
Lao, PDR	1.3	ins.	0.2	n.a.	0.13
Malaysia	177.5	0.6	7.5	3.13	0.76
Myanmar	9.8	ins.	0.2	0.69	n.a.
Philippines	80.5	0.3	1.0	1.82	0.22
Singapore	52.2	0.2	12.3	2.04	0.48
Thailand	267.9	0.9	4.2	2.76	0.56
Vietnam	98.6	0.3	1.2	1.96	0.47

Sources: United Nations Development Programme, Human Development Report 2009.

18

2G1 Perceived Risks to Economic Growth in Asia

	Low	Moderate	Serious	Very Ser.	
High energy prices	12 (12)	28 (24)		42 (38)	18 (22)
Water pollution & shortage	28 (17)	35 (27)		30 (37)	6 (15)
Global warming	35 (22)	29 (25)		26 (28)	10 (22)
Failure of the Doha Round	28 (22)	33 (35)		24 (25)	12 (13)
Protectionism	26 (24)	38 (31)		29 (34)	6 (8)
Terrorists	21 (27)	33 (31)		26 (26)	8 (11)
Sharp decline in asset markets	31 (22)	37 (39)		23 (24)	6 (8)
Natural disaster	34 (30)	34 (32)		24 (24)	5 (9)
Current account imbalance	30 (22)	38 (40)		21 (22)	6 (7)
Avian flu and other pandemics	33 (30)	32 (27)		17 (20)	6 (7)
Proliferation of preferential TAs	40 (22)	36 (39)		18 (20)	4 (5)

Source: PECC, State of the Region, 2007-08, Table 2, pp.45-46.

Notes: Respondents to the above survey taken in 2007 were: 107 businessmen, 68 government officials, 166 academics and researchers, 14 media persons, 5 civil society representatives and 22 others. Of these 382 respondents, 228 are from Asia. Figures are for the next 1-2 years, whereas those in brackets for 3-5 years or longer.

21

2.3F. Impact of Climate Change, 21st Century, 2.4~6.4°C

- Increase in Drought, causing Shortage of Fresh Water and in particular Drinking Water,
- Decline in Crop Production and Farm Productivity,
- Increase in Forest Fire,
- Increase in Human Casualties and Physical Damages due to Storms and Floods.
- Ecological Changes due to Weakened Ocean Under-Currents,
- Widespread Disappearance of Beaches and Coastal Swamps and Partial Loss of Small Island Developing Countries (SIDs) under Rising Sea Level due to Melting Icebergs,
- Higher Risks of Tropical and Infectious Diseases in Temperate Zones, and
- Increase of Biodiversity Loss

Source: IPCC, The 4th Report, 2007.

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3. NATIONAL and REGIONAL POLICIES TO DEAL WITH THE THREE MAJOR ISSUES : LESSONS FROM ASEAN

21

3.1 Mainstreaming Economic/Energy Sustainability in National Government Policies

- Ensuring Macro-economic Stability through Sound Monetary and Fiscal Policies;
- Poverty Reduction through Reorienting Investment into Agriculture and for Productivity Increase and Employment Expansion in Growth Sectors;
- Improving Resources and Energy Conservation and Efficiency and Increasing use of Renewable Energy through Domestic Deregulation and Scientific and Technological Innovations; and
- Empowerment of People through Basic Education and Health for All.

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3.2 Mainstreaming Social Sustainability in National and Local Government Policies

- Achieving Social Stability through Equitable Distribution of Income and Wealth among People and between Urban and Rural Areas;
- Strengthening Government Capacity to Ensure Effective Implementation of Sustainable Development Policies at the National and Local Levels;
- Promoting Decentralization of Authority to Ensure Effective Participation of All Groups of Stakeholders in National and Local Decision-making Processes, with a view to installing **Government of the People, by the People and for the People;** and
- Reinforcing Economic, Social and Political Environments under which Human Dignity and Human Rights are fully Respected and under which the Public has a Deep Confidence in their own Governance Institutions.

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3.3 Mainstreaming Environmental Sustainability in All Government Policies

- Mainstreaming Environmental Conservation & Protection including Climate Change Concerns in All Development Policies at the National, Local and Corporate Levels;
- Strengthening Government Capacity at National and Local Levels to Effectively Implement Environmentally Sustainable Development Policies and Legislation;
- Integrating Education for Sustainable Development (ESD) at all Levels of Formal and Informal Education including Community and Corporate Education, with a view to Enhancing Environmental Awareness and Capability among all Stakeholders; and
- Promoting Partnership with All Stakeholders and in particular Corporations in Research and Development of Environmentally Sustainable Technology and Enhancing the Professional Capacity of Environmental Experts with Inter-disciplinary Approach to Sustainability.

24

3.4 Perceived Impediments and Challenges Facing Regional Cooperation in Asia

	A(%)	B(%)	Total(%)
Uncertain legal environments	36	25	61
Poor intellectual property rights protection	41	20	61
Poor corporate governance	39	20	59
Lack of physical infrastructure	37	18	55
Barriers to investment	34	13	47
Security and political concerns	29	17	46
Lack of mutual recognition of standards	34	12	46
Proliferation of bilateral PTAs	33	9	42
Restrictions on the movement of capital	32	9	41
Restrictions on the movement of labour	27	10	37

Source: PECC, op. cit., Table 5, p.49.

Note: A – Significant impediments; B – Very significant impediments.

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3.5 Promoting Regional Cooperation for Enhancing Sustainability in Asia

- 1) Implementing the Cebu Declaration on East Asian Energy Security agreed at the Second EAS in January, 2007, the Joint Ministerial Statement of the First EAS Energy Ministers Meeting in August, 2007 and the Singapore Declaration on Climate Change, Energy and Environment at the Third EAS in November, 2007 and the follow-up joint statements issued by EAS Summit meetings in 2008 and 2009,
 - Commitment to common goal of stabilizing atmospheric GHGs by emphasizing both mitigation (halving the global GHG emission by 2050) and adaptation;
 - More positive participation in the post-Kyoto (2013–) consensus-building process for decision at COP16 in Mexico in 2010 on the basis of the Principle of Common but Differentiated Responsibilities and Capabilities;

26

- Setting in 2009 national energy efficiency target, based on the Cebu Declaration, of improving 20 % above the current level by 2020;

- Implementing the collective goal of reforestation of 15 million hectares by 2020;

- 2) Promoting further cooperation in Economic, Energy, Environment, Social and National Security areas to:

i) Turn Asian economic growth sound and sustainable,

- through Chiang Mai Initiative, and
- multilateralizing the bilateral Economic Partnership Agreements with ASEAN countries;

ii) Promote energy conservation, efficiency and security,

- through the formulation of an East Asian Common Energy Policy covering all aspect of energy exploration, development, consumption, conservation, efficiency and security including energy pricing policies reflecting the environmental cost;
- implementing Kuala Lumpur Declaration that recommend, among others further action on existing energy conservation

efforts such as energy audits and inspections, minimum energy consumption efficiency standards for common household electric and electronic appliances, public education on energy conservation and efficiency, energy-efficiency labelling programmes, joint development and transfer of energy conservation technology and know-how;

- through joint Investigation into the possibility of establishing Asian Strategic Stockpiling Scheme for Oil for emergency;
- organizing a unified regional market for oil and natural gas;
- through joint exploration for oil and natural gas reserves in the seabed both inside and outside the region; and
- through the extension of the Trans ASEAN Gas Pipeline and the ASEAN Power Grid to all member countries;

iii) Arrest environmental degradation, e.g.,

- Southeast Asian Disaster Relief Centre to provide humanitarian assistance and handle environmental disasters;
- regional agreements to address trans-boundary environment

problems of air, river and marine pollution;

- joint academic research for environmental protection,
- promoting UNU-led RCEs for reinforcing ESD,
- China-Japan Environmental Protection Centre as one of the effective platforms for promoting environmental protection in the region;
- Japan-led Asian Partnership Programme for Environmental Experts Development; and
- through effective implementation of the Bali Action Plan;

iv) Stabilizing climate change through GHG emission mitigation and adaptation measures,

- given the scarcity and rising prices of fossil fuel and other natural resources, the mitigation of GHG emission through improving energy efficiency and the promotion of clean renewable energy sources should be given a top priority in formulating regional cooperation in climate change ;

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- given the adverse impact of climate change on the sea level and other ecological conditions and their consequences on the habitat particularly of the poor in the region, mainstreaming adaptation measures into national and regional development plans should also be given a top priority not only by way of removing institutional, informational and participation barriers in each country but establishing a regional adaptation fund collected by levy on carbon-intensive products and services;
- utmost efforts be made by all stakeholders to maximize co-developmental benefits of climate policies. Exploiting the potentials of the Clean Development Mechanisms (CDM) and enhancing the efficiency of its approval process are crucial as well as sound material recycling;

- to facilitate mitigation, quantitative targets of carbon intensity at the regional level could be introduced based on a thorough analysis of the past trend and future projections of GHG emission;

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- The scope of CDM may be expanded for regional projects under non-UNFCCC regime, if accompanied by significant technology components and effective enforcement mechanism for reducing GHG emission;
- Japan-initiated sectoral approach for climate change mitigation, if carefully designed and managed transparently by specifically assigned independent body, can be an effective means with equity to all participants to achieve either nationally, regionally or globally agreed quantitative targets for GHG emission reduction;
- Joint R&D efforts by both exporters and importers of environmentally friendly technologies would facilitate technology transfer, if coupled with a flexible IPR regime providing green subsidies or preferential tax treatment.
- v) promote education, health and people movement, e.g., APT ministerial consensus; and vi) enhance mutual trust and confidence building among people, e.g., ARF statements.

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Finally, some questions to Ambassador Kulinich

- 1) You mentioned in your paper some steps have been taken by BSEC and its member states to reduce the adverse impact of the recent global financial and economic crisis. What have been some major concrete measures taken since 2007-08 ?
- 2) Also, you mentioned some steps taken by BSEC for energy efficiency, diversification of energy resources, renewable energy, as well as for environmental protection and expansion of intra-BSEC trade and investment. Could you clarify what concrete measures have been taken by BSEC in these priority areas ?
- 3) Some BSEC member countries are energy producers and critical exporters to neighbouring and EU countries. Given the recent use of energy supply as one of the political weapons, what sort of regional agreement, if any, has been installed by BSEC ?

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『The Third Japan— Black Sea Area Dialogue』 (第三回日・黒海地域対話)

「Prospects of Changing Black Sea Area
and Role of Japan」
(変化する黒海地域の展望と日本の役割)

1

Session II :
「Challenges for Economic Development
and Energy and Environmental
Cooperation in the Black Sea Area」
(黒海地域の経済発展とエネルギー・環境協力に向けた課題)

COMMENTS : by KEN ISHIGOOKA
(Nihon University)

2

- <No1>: 黒海地域協力の目的
- What is the purpose of Black Sea Area Cooperation?
- What is the core idea of Black Sea Area Cooperation?
- What is the meaning of Black Sea for member countries?

3

- < No2>:黒海地域とEU、ロシア
- What kind of relations do you see between Black Sea Area Cooperation and EU (European Union).
- What kind of relations between Black Sea Area Cooperation and Russia.

4

- No3: 変化する世界の中の黒海地域
- How do you see Black Sea Area Cooperation in a changing world system or order?
- Namely if G2 (China=United States) dominated world system is coming in the near future, what kind of role or status do you see for Black Sea Area?

5

The Role of Japan in Black Sea Area Cooperation

—in comparison with
the EU's Strategy to Black Sea Area—

HASUMI Yu

Professor,
Rissho University

THE THIRD JAPAN - BLACK SEA AREA DIALOGUE
“Prospects of Changing Black Sea Area and Role of Japan”

January 26 - 27, 2010

Lecture Hall of the International House of Japan
Tokyo, Japan

1

3 key words

- 3 key words;
 - Acceptance of diversity
 - Tolerance for different ‘values’
 - Local ownership
- The EU looks like unsettled in Black Sea Region which is an arena of coexistence of different ‘values’.

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1.

Enlargement of the EU and European Neighbourhood Policy

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Beyond the Enlargement of the EU

- Enlargement in 2004
➡ Neighbours in the East and in the South
- Enlargement in 2007
➡ Black Sea region
↓
- ENP(European Neighbourhood Policy) ,
including Southern Caucasus and
excluding Russia(four common spaces).

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ENP as Soft Security Strategy

- ENP is the Soft Security for challenges between ‘in’ and ‘out’ of the EU.
- ENP is based on shared values and common Interests (Good governance, prosperity, stability and market economy).
- But Neighbours are ‘differentiated’

by the EU.
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‘Differentiated’ Neighbours of the EU

EU

Candidate

Potential candidate

EFTA / EEA

ENP

WNIS

Caucasus

Mediterranean

Russia

(not in ENP)



Black Sea region

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Limits of ENP

- ENP is criticised for
 - its ambiguity, subjective assessment criteria
 - and lacking effective mechanisms
 - without promise of membership.

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ENP-the conceptual, strategic and spatial limits of Europe

- Neighbours are meeting place of various cultures and civilisation.
- The EU as ‘Integration process’ meets the EU as ‘foreign actor’.
- The EU as ‘gravitational power’ meets its ‘normative power’.



The EU is unsettled in Black Sea region.

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2. Black Sea region as an arena of cooperation between heterogeneous & 'differentiated' countries

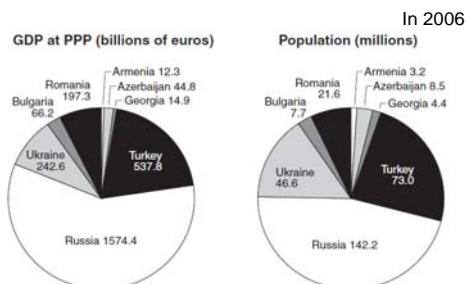
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Black Sea region as an arena of cooperation

- Black Sea region – area
 - rich in natural resources,
 - strategically located at the junction of Europe, Central Asia and the Middle East, with
 - hub for energy and transport flows,
 - unsolved frozen conflicts,
 - environmental problems,
 - insufficient border controls.

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Black Sea Region—a group of heterogeneous countries



Source: V. Astrov and P. Havlik, *Economic Developments in the Wider Black Sea Region*, Wüw Research Report 349, September 2008, p.122.

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Black Sea region – a group of 'differentiated' by the EU

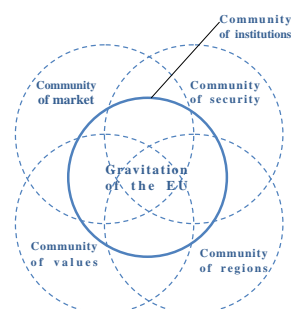
- Black Sea countries - 'differentiated' by the relationship with the EU;
 - The EU member countries (Greece, Bulgaria and Romania),
 - The EU candidate (Turkey),
 - Four Common Spaces and Strategic partnership (Russia),
- ENP
 - Black Sea Synergy (Greece, Bulgaria, Romania, Moldova, Ukraine, Russia, Georgia, Armenia, Azerbaijan and Turkey),
 - Eastern Partnership (Moldova, Ukraine, Georgia, Armenia and Azerbaijan).

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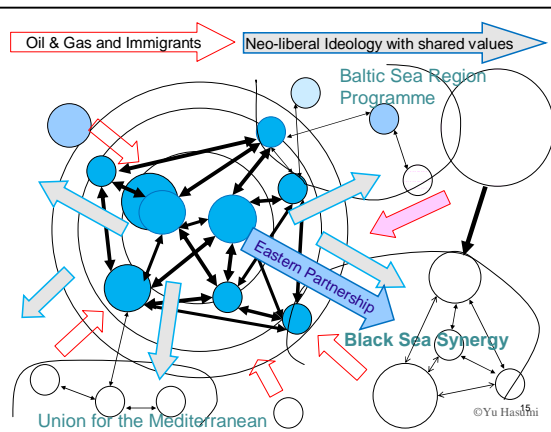
3. Gravitation of the EU An emerging 'soft' Empire based on 'multilateral open regional governance'

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Gravitation of the EU - An emerging model of multilateral-open regional governance



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EU as a 'soft' Empire based on normative power and ENP

- Flow of oil & gas from ENP countries to the EU.
- Flow of immigrants from ENP countries to the EU.
- Flow of Neo-liberal Ideology with shared values from the EU to ENP.
- There is little relations between ENP countries which depend on the EU market.



No hope of regional cooperation
between ENP countries? ©Hasumi Yu ¹⁶

4. Comparison of Black Sea Synergy and Eastern Partnership

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Black Sea Synergy vs. Eastern Partnership

Issues	Black Sea Synergy	Eastern Partnership
Geographical Scope	Black Sea wide - including EU members, Turkey and Russia	EU-5+1 Eastern countries -except for EU members, Turkey and Russia
Interaction	Local ownership within Black Sea region On sectoral partnership (energy, trade ,environment, transport, good governance)	Joint ownership between the EU and partners Differentiated Association Agreements with reference of each partner's ability and aspiration to the EU
Relationship with BSEC	BSS harmonizes with BSEC. The EU-an observer.	EaP has no reference to BSEC.
Type of interaction	Regional process	Enlargement-lite Quasi pre-accession

Source: revised table of Y. Tsantoulis, Black Sea Synergy and the Eastern Partnership: Different Centres of Gravity, Complementarity or Confusing Signals, ICRESS, Policy Brief No.12, February 2009 9.

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5. Ten Commandments of the EU vs. Ten values of East Asians Implications to ‘value oriented diplomacy’ of Japan

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10 Commandments of the EU

- Be democratic and respectful of human rights and the rule of law.
- The four freedoms of movement (goods, services, capital, labour).
- Provide for social cohesion between citizens, regions and states.
- Ensure sustainable economic development for the benefit of future generations.
- Reject nationalism and favour the multiple identity of citizens.
- Assure federative multi-tier governance.
- Assure secular governance and favour multi-cultural pluralism.
- Promote multilateral order in international affairs.
- Abstain from threatening or using force against others without just cause.
- Be open, inclusive and integrative towards neighbours that adhere to the above.

Source: M. Emerson, What values for Europe? Ten Commandments, CEPS Policy Brief No.65, Feb. 2005.

10 values of East Asians

- EAs respect education.
- EAs respect hard work.
- EAs respect saving and frugality.
- EAs version of a social contract.
- Citizens are expected to motivate their children to learn and be self-reliant.
- The press should be free, but it must act responsibly.
- Every citizen a stakeholder in the country.
- EAs want their governments to maintain a morally environment for their children.
- EAs do not believe in extreme forms of individualism. Every individual is a member of a society.
- EAs practice national teamwork. Government, business and employees work cooperatively. It is related to Triple Helix Model.

Source: P. Dicken, Global Shift mapping the changing countries of the World Economy, p. 517.

Different 10 values and integration EU

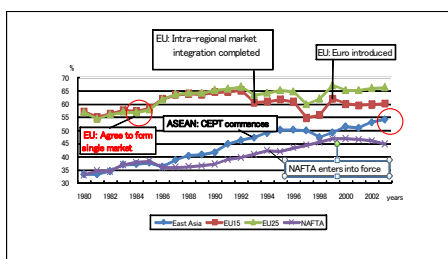
10values form a framework that has enabled EU to achieve economic prosperity, harmonious relations between citizens, regions and states by institutional integration.

EAs

10 values form a framework that has enabled EA to achieve economic prosperity, harmonious relations between citizens by de facto functional economic integration.

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Intra-regional trade ratio of each region



Notes: East Asia includes Japan, China, Korea, Hong Kong, Taiwan and ASEAN10. The export and import data for each country and region based on Taiwan is for 1989 - 2003. However, the export and import data for Taiwan based on each country and region is for 1983 - 2003.
Source: Ministry of Economy, Trade and Industry, White Paper on International Economy and Trade⁴³ 2005, p. 437.

Concluding remarks

- Limits of the EU Strategy
- ‘values’ –same or different?
- The role of Japan

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Limits of the EU Strategy

- The EU looks like tolerant of different values in BSS in contrast with EaP.
- In Black Sea region, the EU is unsettled, which is seen in differences between BSS and EaP.
- Euro-centric manner like EaP is not suitable to Black Sea region where various Gods get together.

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‘values’- same or different ?

- Cooperation between Japan and the EU will contribute to peace and prosperity in Black Sea region, because Japan’s ‘value oriented diplomacy’ is consistent with ‘values’ of the EU.
- But we must not overlook the essential difference in the same word ‘values’.
- Tolerance of different ‘values’ and acceptance of diversity are pre-condition for regional cooperation on local ownership.

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The role of Japan

- Not only conditionality for improvement of weakness, but also finding and making use of strength in the society.
- Japan – a good adviser to the EU by suggesting different multilateral viewpoints based on experiences in East Asia.
- Japan – a good adviser to Black Sea region, based on both ‘value oriented diplomacy’ and ‘acceptance of diversity’.
- Because Black Sea region is an arena of coexistence of different ‘values’.

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Thank you for your attention.

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2. An Introduction to The Global Forum of Japan (GFJ)

(1) Introduction

[Objectives] As we embrace the 21st century, international relations are becoming increasingly interdependent, and globalization and regionalism are becoming the big waves. In this global tendency, communicating with the world, especially neighboring countries in the Asia-Pacific region at both governmental and non-governmental level, is one of the indispensable conditions for Japan to survive. On the basis of such understanding, The Global Forum of Japan (GFJ) aims to promote the exchange of views on commonly shared interests and issues in the field ranging from politics and security to economy, trade, finance, society and culture, and to help business leaders, Diet members and opinion leaders both in Japan and in their counterpart countries to discuss the formulation of new orders in global and regional arenas.

[History] The 1982 Versailles Summit was widely seen as having exposed rifts within the Western alliance. Accordingly, there were expressed concerns that the summit meetings were becoming more and more stylized rituals and that Western solidarity was at risk. Within this context, it was realized that to revitalize the summit meetings there must be free and unfettered exchanges of private-sector views to be transmitted directly to the heads of the participating states. Accordingly, Japanese former Foreign Minister OKITA Saburo, U.S. Trade Representative William BROCK, E.C. Commission Vice President Etienne DAVIGNON, and Canadian Trade Minister Edward LUMLEY, as representatives of the private-sector in their respective countries, took the initiative in founding The Quadrangular Forum in Washington in September 1982. Since then, the end of the Cold War and the altered nature of the economic summits themselves had made it necessary for The Quadrangular Forum to metamorphose into The Global Forum established by the American and Japanese components of The Quadrangular Forum at the World Convention in Washington in October 1991. In line with its objectives as stated above, The Global Forum was intended as a facilitator of global consensus on the many post-Cold War issues facing the international community and reached out to open its discussions not only to participants from the quadrangular countries but also to participants from other parts of the world. Over the years, the gravity of The Global Forum's activities gradually shifted from its American component (housed in The Center for Strategic and International Studies) to its Japanese component (housed in The Japan Forum on International Relations), and, after the American component ceased to be operative, the Board of Trustees of the Japanese component resolved, on February 7, 1996, that it would thereafter act as an independent body for organizing bilateral dialogues with Japan as a hub for all countries in the world, and amended its by-laws accordingly. At the same time, The Global Forum's Japanese component was reorganized into The Global Forum of Japan (GFJ) in line with the principle that the organization be self-governing, self-financing, and independent of any other organization.

[Organization] The Global Forum of Japan (GFJ) is a private, non-profit, non-partisan, and independent membership organization in Japan to engage in and promote international exchanges on policy-oriented matters of bilateral, regional and global implications. While the secretariat is housed in The Japan Forum on International Relations, GFJ itself is independent of any other organizations, including The Japan Forum on International Relations. Originally established as the Japanese component of The Quadrangular Forum at the initiative of HATTORI Ichiro, OKITA Saburo, TAKEYAMA Yasuo, TOYODA Shoichiro in 1982, GFJ is currently headed by OKAWARA Yoshio as Chairman and ITO Kenichi as President. The membership is composed of 11 Business Leader Members including the two Governors, MOGI Yuzaburo and TOYODA Shoichiro; 16 Diet Members including the three Governors, KOIKE Yuriko, HIRONAKA Wakako, and TANIGAKI Sadakazu; and 85 Opinion Leader Members including the four Governors, SHIMADA Haruo, OKAWARA Yoshio, ITO Kenichi and WATANABE Mayu. Friends and supporters of The Global Forum of the Japan are organized into the Supporters' Club of the Global Forum of Japan. Financially the activities of GFJ have been supported by the annual membership fees paid by 11 leading Japanese corporations (Toyota Motor Corporation and Kikkoman Corporation contributing 5 shares each, and the other 9 corporations contributing 1 or 2 shares each) as well as by the grants provided by The Japan Foundation, Japan-ASEAN Exchange Projects, Japan-ASEAN Integration Fund, The Tokyo Club, The Japan-Korea Cultural Foundation, etc. YANO Takuya serves as Executive Secretary.

[Activities] Since the start of The Global Forum of Japan (GFJ) in 1982, GFJ has shifted its focus from the exchanges with the Quadrangular countries for the purpose of contributing to the Western Summit, to those with neighboring countries in the Asia-Pacific region including US, China, Korea, ASEAN countries, India, Australia, European countries, and Wider Black Sea area, for the purposes of deepening mutual understanding and contributing to the formation of international order. GFJ has been active in collaboration with international exchange organizations in those countries in organizing policy-oriented intellectual exchanges called "Dialogue." In order to secure a substantial number of Japanese participants in the "Dialogue," GFJ in principle holds these "Dialogues" in Tokyo. A listing of topics of "Dialogues" and its overseas co-sponsors in last six years is given below.

Year	Month	Topic	Co-sponsor
2005	April	The Prospect of East Asian Community and Japan-Korea Cooperation	Presidential Committee on Northeast Asian Cooperation Initiative (Korea)
	June November	The Prospect for East Asian Community and Regional Cooperation Peace and Prosperity in the Wider Black Sea Area and the Role of Japan	ASEAN-ISIS University of Shizuoka, The Black Sea University Foundation (Romania), The International Center for Black Sea Studies (Turkey)
2006	February	Review and Perspective of the Japan-Taiwan Relationship	Taiwan International Studies Association (Taiwan)
	June September	An East Asian Community and the United States Prospect for Japan-ASEAN Strategic Partnership after the First East Asia Summit	The Pacific Forum CSIS (US), The Council on East Asian Community ASEAN-ISIS
2007	January	The China-Japan Relationship and Energy and Environmental Issues	China Institutes of Contemporary International Relations (China), Energy Research Institute, National Development and Reform Commission (China), The Japan Forum on International Relations
	June July November	The US-Japan Alliance in the 21st Century The Challenges Facing Japan and ASEAN in the New Era Japan and Black Sea Area in the Rapidly Changing World	National Committee on American Foreign Policy (US) ASEAN-ISIS Organization of Black Sea Economic Cooperation (BSEC), Embassy of Turkey, University of Shizuoka
2008	January	An East Asian Community and the US	The Council on East Asia Community, The Pacific Forum CSIS (US)
	June	Cooperation in Environment and Energy	The Council on East Asian Community, The East Asian Institute of National University of Singapore(Singapore)
	July	Japan -China Relations Entering A New Stage	Institute of Japanese Studies, China Institutes of Contemporary International Relations (China)
	September	Prospect of Japan-ASEAN Partnership after the Second Joint Statement on East Asia Cooperation	ASEAN-ISIS
2009	April	US-Japan Relations Under the New Obama Administration	National Committee on American Foreign Policy (US)
	June September	Prospect of Japan-China Relationship in the Changing World Japan-ASEAN Cooperation amid the Financial and Economic Crisis	China Institutes of Contemporary International Relations (China) ASEAN-ISIS
2010	January	Prospects of Changing Black Sea Area and Role of Japan	Organization of Black Sea Economic Cooperation (BSEC)
	February	Promoting Japan-China Cooperation on Environmental Issues of the 21st Century: In Pursuit of Recycling Society	School of Environment, Beijing Normal University (China)

(2) Membership List of The Global Forum of Japan

As of January 13, 2010

In alphabetical order

【Chairman】

OKAWARA Yoshio, Special Adviser, Institute for International Policy Studies

【President】

ITO Kenichi, President and CEO, The Japan Forum on International Relations, Inc.

【Business Leader Governors】

MOGI Yuzaburo, Chairman and CEO, Kikkoman Corporation

TOYODA Shoichiro, Honorary Chairman, Toyota Motor Corporation

【Diet Member Governors】

HIRONAKA Wakako, Member of the House of Councillors. (DPJ)

KOIKE Yuriko, Member of the House of Representatives. (LDP)

TANIGAKI Sadakazu, M.H.R. (LDP)

【Opinion Leader Governors】

ITO Kenichi, President and CEO, The Japan Forum on International Relations Inc.

OKAWARA Yoshio, Special Adviser, Institute for International Policy Studies

SHIMADA Haruo, President, Chiba University of Commerce

WATANABE Mayu, Director of Administration, The Japan Forum on International Relations, Inc

【Business Leader Members】 (11 Members)

HANDA Haruhisa, Chairman, Worldwide Support for Development

IMAI Takashi, Honorary Chairman, Nippon Steel Corporation

ISHIKAWA Hiroshi, Director, Kajima Corporation

KATSUMATA Tsunehisa, Chairman, Tokyo Electric Power Company.

MOGI Yuzaburo, Chairman and CEO, Kikkoman Corporation

SEYA Hiromichi, Senior Corporate Adviser, Asahi Glass Co., Ltd.

TANAKA Tatsuo, Vice President, The Bank of Tokyo-Mitsubishi, Ltd.

YAGUCHI Toshikazu, President, Biru Daiko Co., Ltd.

YAMAMOTO Tadahito, President and Representative Director, Fuji Xerox Co., Ltd.

TOYODA Shoichiro, Honorary Chairman, Toyota Motor Corporation

(T B D), Nippon Telegraph and Telephone Corporation

【Diet Member Members】 (16 Members)

ASAO Keiichiro, (YP)

HATOYAMA Yukio, M.H.R. (DPJ)

HOSODA Hiroyuki, M.H.R. (LDP)

KITAGAMI Keiro, M.H.R. (DPJ)

KOIKE Yuriko, M.H.R. (LDP)

NAGASHIMA Akihisa, M.H.R. (DPJ)

NAKAGAWA Masaharu, M.H.R. (DPJ)

OGUSHI Hiroshi, M.H.R. (DPJ)

SHIOZAKI Yasuhisa, M.H.R. (LDP)

TANIGAKI Sadakazu, M.H.R. (LDP)

YAMAGUCHI Tsuyosi, M.H.R. (DPJ)

FUJITA Yukihiro, (DPJ)

HAYASHI Yoshimasa, M.H.C. (LDP)

HIRONAKA Wakako, M.H.C. (DPJ)

NAITO Masamitsu, M.H.C. (DPJ)

SEKOU Hironari, M.H.C. (LDP)

【Opinion Leader Members】 (85 Members)

AICHI Kazuo, Chairman, Japan Forum for Strategic Studies

AKASHI Yasushi, Chairman, International House of Japan

AOKI Tamotsu, Contract Professor, Aoyama Gakuin University

AMAKO Satoshi, Professor, Waseda University

ASOMURA Kuniaki, Professor, North Asia University

CHINO Keiko, Columnist, The Sankei Shimbun

FUKUSHIMA Teruhiko, Professor, National Defense Academy of Japan

GYOHTEN Toyoo, President, Institute for International Monetary Affairs

HAKAMADA Shigeki, Professor, Aoyama Gakuin University

HARUNA Mikio, Professor, Graduate School of Nagoya University

HASEGAWA Kazutoshi, Deputy Chairman, Japan-Korea Cooperation Committee

HATA Kei, Vice Principal, Sakushin Gakuin

HATTORI Kenji, Foreign News Editor, Jiji Press

HIRABAYASHI Hiroshi, Vice President, The Japan Forum on International Relations Inc.

HIRONO Ryokichi, Professor Emeritus, Seikei University

HONDA Masaru, Senior Staff Writer Political News Department, The Asahi Shimbun

ICHIKAWA Isao, Executive Director, Tokyo Gakugei University

IKEO Aiko, Professor, Waseda University

IMAGAWA Yukio, former Ambassador to Cambodia

INA Hisayoshi, Columnist, The Nikkei Newspaper

INOUCHI Takashi, President, University of Niigata Prefecture

ITO Eisei, former Member of the House of Representatives

ITO Kenichi, President and CEO, The Japan Forum on International Relations Inc.

ITO Tsuyoshi, Professor, Meiji University

IWAKUNI Tetsundo, Professor, University of Virginia

IWAMA Yoko, Associate Professor, National Graduate Institute for Policy Studies

IZUMI Hajime, Professor, University of Shizuoka

JIMBO Ken, Associate Professor, Keio University

KAMIYA Mataka, Professor, National Defense Academy

KAWAI Masahiro, Dean and CEO, Asian Development Bank Institute

KAWAI Masao, Guest Professor, Hakuo University

KIMURA Takayuki, Guest Professor, International Christian University

KINOSHITA Hiroo, Advisor, National Small Business & Information Promotion Center

KOGURE Masayoshi, former Professor, Toyo University

KOKUBUN Ryosei, Professor, Keio University

KONDO Tetsuo, President, Institute for New Era Strategy (INES)

KUBO Fumiaki, Professor, Keio University

MANO Teruhiko, former Advisor to the President, The Bank of Tokyo-Mitsubishi, Ltd.

MIYAMOTO Nobuo, Diplomatic Commentator

MIYAZAKI Isamu, Honorary Advisor, Daiwa Institute of Research

MIYOSHI Masaya, Chairman and CEO, Miyoshi Networks Co., Ltd.

MORI Toshimitsu, former Ambassador to Kazakhstan

MORIMOTO Satoshi, Professor, Takushoku University

MURAKAMI Masayasu, Acting Executive Director, The Japan Forum on International Relations, Inc

MURATA Koji, Professor, Doshisha University

MUTSUSHIKA Shigeo, Professor, The University of Shizuoka

NAKAGANE Katsuji, Professor, Aoyama Gakuin University

NAKAHARA Nobuyuki, President, The American Studies Foundation

NISHIKAWA Megumi, Foreign News Editor, Mainichi Newspapers

OGASAWARA Takayuki, Professor, Yamanashi Gakuin University

OKAWARA Yoshio, Special Adviser, Institute for International Policy Studies

OKONOGI Masao, Professor, Keio University

ONUMA Yasuaki, Professor, Meiji University

OHYA Eiko, Journalist

SAITO Akira, President, Yomiuri Nippon Symphony Orchestra Tokyo

SAKAKIBARA Eisuke, Professor, Waseda University

SAKAMOTO Masahiro, Vice-president, Japan Forum for Strategic Studies

SAJIMA Naoko, Professor, Senshu University

SHIMADA Haruo, President, Chiba University of Commerce

SHIMIZU Yoshikazu, Supreme Advisor, Kamakura Gayukai

SHIRAIISHI Takashi, Guest Professor, National Graduate Institute for Policy Studies

SOEYA Yoshihide, Professor, Keio University

SONE Yasunori, Professor, Keio University

SUDO Shigeru, Director, Energy and Environment Program, International Development Center of Japan

SUZUKI Keisuke, former Member of the House of Representatives

TAHARA Soichiro, Journalist

TAIDA Hideya, Member of the board of trustees, Akita International University

TAJIMA Takashi, Guest Professor, Akita International University

TAKAHARA Akio, Professor, The University of Tokyo

TAKAHASHI Kazuo, Guest Professor, International Christian University

TAKASHIMA Hatsuhisa, President and CEO, Japan International Broadcasting

TAKEUCHI Yukio, Justice, Supreme Court of Japan

TAKEMI Keizo, Professor, Tokai University

TAKUBO Tadae, Guest Professor, Kyorin University

TANAKA Akihiko, Professor, The University of Tokyo

TANAKA Toshiro, Professor, Keio University

TANINO Sakutarō, former Ambassador to China

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UTSUMI Yoshio, former Secretary General, International Telecommunication Union

WATANABE Mayu, Director of Administration, The Japan Forum on International Relations, Inc

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YAMAUCHI Masayuki, Professor, The University of Tokyo

YAMAZAWA Ippei, Professor Emeritus, Hitotsubashi University

YOSHITOMI Masaru, Special Advisor, Research Institute of Economy, Trade & Industry

YUSHITA Hiroyuki, Guest Professor, Kyorin University

【Supporters' Club Members】 (15 Members)

ASAO Keiichiro, AKASHI Yasushi (5 Unit Members), and others (13 members)

【Executive Secretary】

YANO Takuya

[Note] DPJ: Democratic Party of Japan
LDP: Liberal Democratic Party
NK: New Komeito
YP: Your Party

3. An Introduction to Black Sea Economic Cooperation (BSEC)

About BSEC

On 25 June 1992, the Heads of State and Government of eleven countries, Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey and Ukraine signed in Istanbul the Summit Declaration and the Bosphorus Statement, giving birth to the Black Sea Economic Cooperation (BSEC).

It came into existence as a unique and promising model of multilateral political and economic initiative aimed at fostering interaction and harmony among the Member States, ensuring peace, stability and prosperity, and encouraging friendly and good-neighborly relations in the Black Sea region.

In March 1994, the BSEC Headquarters—the Permanent International Secretariat of the Organization of the Black Sea Economic Cooperation (BSEC PERMIS)—was established in Istanbul. With the entry into the force of its Charter on 1 May 1999, BSEC acquired international legal identity and was transformed into a full-fledged regional economic organization: ORGANIZATION OF THE BLACK SEA ECONOMIC COOPERATION. With the accession of Serbia in April 2004, the organization's Member States increased to twelve.

Facts about the BSEC Region

- BSEC covers a geography encompassing the territories of the Black Sea littoral States, the Balkans and the Caucasus with an area of nearly 20 million square kilometers. The BSEC region is located on two continents.
- BSEC represents a region of approximately 350 million people with a foreign trade capacity of over USD 300 billion annually.
- Next to the Persian Gulf region, it is the second-largest source of source of oil and natural gas along with its rich proven reserves of minerals and metals.
- It is becoming Europe's major transport and energy transfer corridor.

BSEC Economic Agenda

BSEC Economic Agenda for the future towards a more consolidated, effective and viable BSEC partnership:

- I. Acceleration of effective multilateral economic cooperation and attainment of sustainable development
- II. Cooperation in the field of institutional renewal and governance
- III. Soft security measures in the framework of multilateral economic cooperation
- IV. BSEC: towards the mature partnership, common, endeavor and shared values
- V. External relations of the BSEC organization

Related Bodies and Affiliated Centers : Parliamentary Assembly of the Black Sea Economic Cooperation (PABSEC), BSEC Business Council (BSECBC), Black Sea Trade and Development Bank (BSTDB), International Center for Black Sea Studies (ICBSS), BSEC Coordination Center for the Exchange of Statistical Data and Economic Information

Sectoral Dialogue Partnership : Black Sea International Shipowners Association (BINSAs), Black & Azov Seas Ports Association (BASPA), Union of Road Transport Association in the Black Sea, Economic Cooperation Region (BSEC-URTA), Black Sea Region Association of Shipbuilders and Shiprepairers (BRASS), Regional Commonwealth in the Field of Communications (RCC), International Network for SMEs (INSME)

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