



Fourth Meeting of the Parties



Promoting Subregional Cooperation, with a Focus on the Black Sea Subregion

Lyudmil Ikonov

Executive Director

Institute for Ecological Modernisation

BULGARIA

The Black Sea Region: potential for cooperation

- **The Black Sea Region is located strategically at the junction of Europe, Central Asia and the Middle East**
- **Rich in natural resources**
- **Large population**
- **The region is an expanding market with great development potential and an important hub for energy and transport flows**
- **Differences still remain in the pace of economic reforms and the quality of governance among the different countries**
- **The region has a number of unresolved frozen conflicts, with many environmental problems and insufficient border controls**



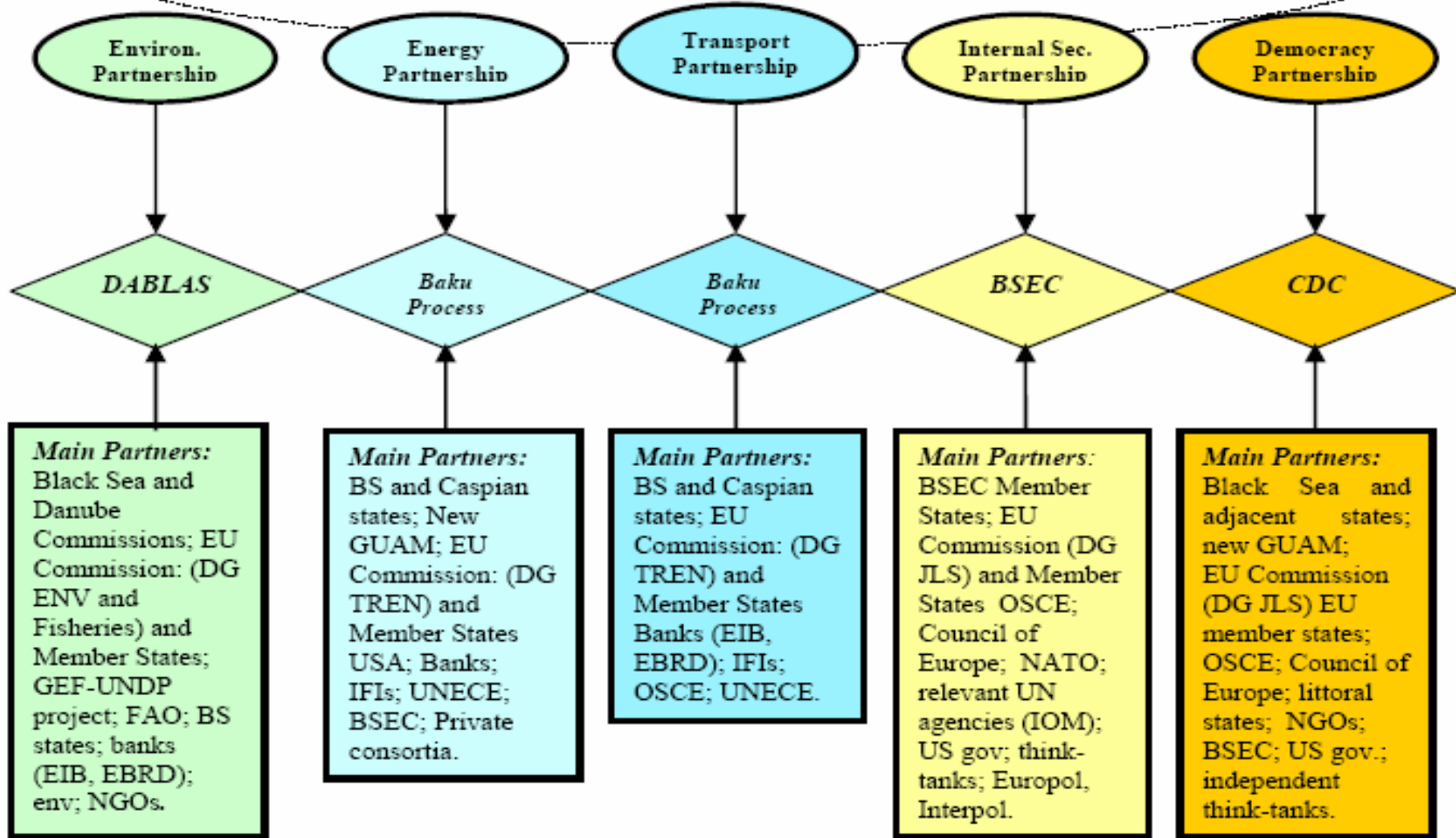
Basic Features of the Black Sea Regional Cooperation

- **The cooperation in the Black Sea region is being built in five priority areas:**
 - Environment
 - Energy
 - Transport
 - Internal Security
 - Democracy

- **The partnerships in the five priority areas are composed of:**
 - Black Sea states
 - Other neighbouring states
 - International organisations
 - International financial institutions
 - The European Union



BLACK SEA FORUM



Energy rings in the Black Sea Region (1)

- **1st Baku Ministerial Conference (13 November 2004)** - a policy dialogue on energy cooperation between the EU and the states of the Black Sea, the Caspian Sea and their neighbours
- **Objectives:**
 - Harmonising the legal and technical standards in order to create a functioning integrated energy market
 - Enhancing the safety and security of energy supplies extending and modernising the existing infrastructure
 - Improving energy supply and demand management through the integration of efficient and sustainable energy systems
 - Financing commercially and environmentally viable energy projects



Energy rings in the Black Sea Region (2)

- **2nd Energy Ministerial Conference in ASTANA, Kazakhstan (November 30, 2006)**
 - Adoption of a new **Energy Road Map** - a long-term plan for enhanced energy cooperation between EU countries and the Caspian and Black Sea regions
 - Basis for regulatory framework for an integrated common energy market among the partner governments.
 - Diversifying the energy supplies of the EU
 - Integrating the Black Sea and Caspian Sea region energy markets with the EU markets.



Energy rings in the Black Sea Region (3)

- **Energy summit in Zagreb, June 24, 2007**
(Russia and leaders of eight Balkan countries)
 - Russian President calls for increased energy cooperation between Russia and Southeastern Europe and outlines a number of new projects in the region
 - Suggested construction of an energy ring that would link all the Black Sea states, allowing for the formulation of "*the main aspects of a common energy market*"



Natural Gas Pipelines (1)

- **The SOUTH STREAM Pipeline Project:**
 - Proposed gas pipeline to transport Russian natural gas to Italy and central Europe
 - The project would partly replace the planned extension of Blue Stream from Turkey through Bulgaria and Serbia to Hungary and Austria.
 - South Stream is also likely to dash hopes of Gazprom joining the Nabucco Pipeline project



Natural Gas Pipelines (2)

■ NABUCCO Pipeline Project

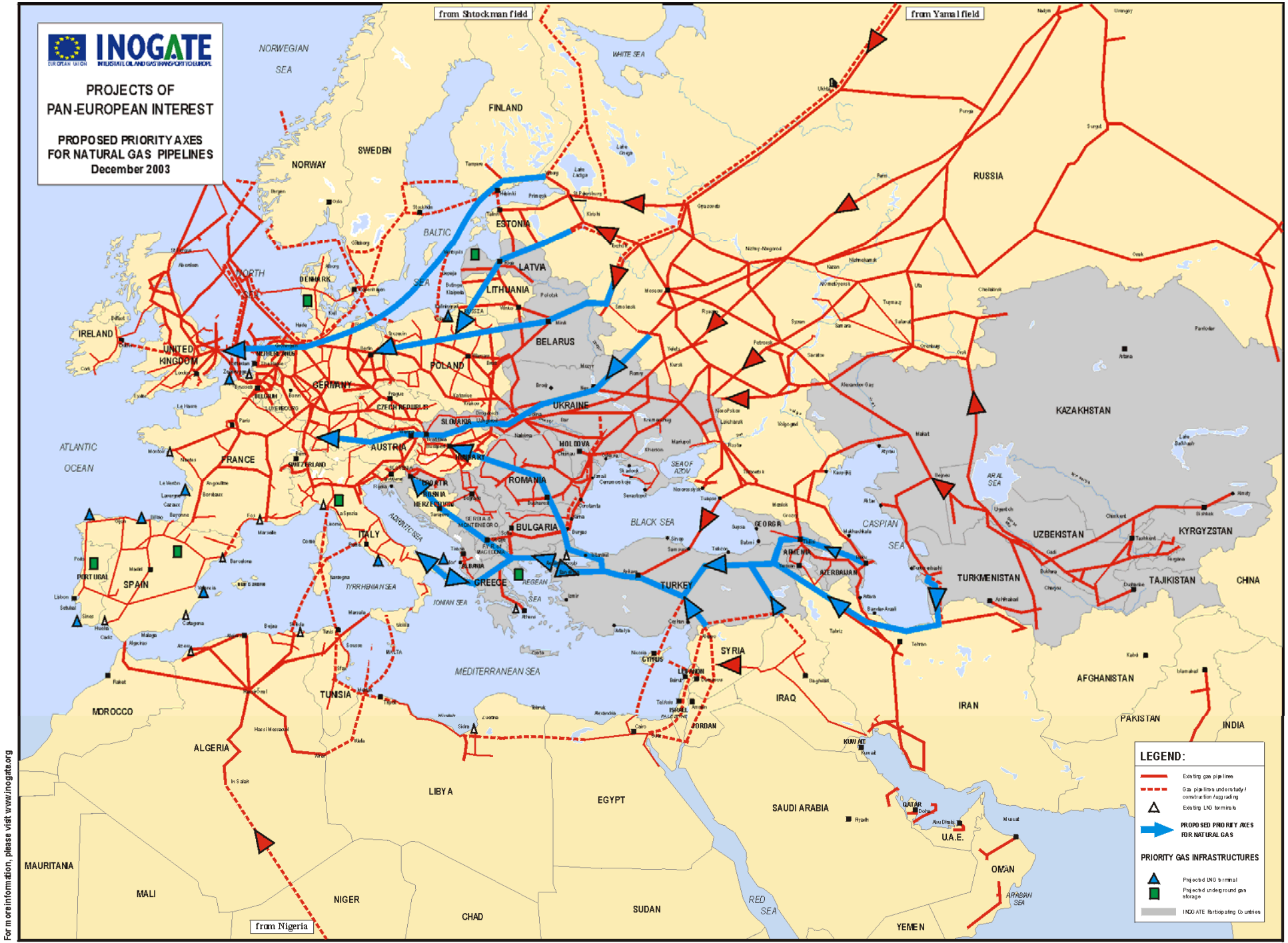
- Planned natural gas pipeline to transport natural gas from Turkey to Austria, via Bulgaria, Romania, and Hungary
- The NABUCCO project is included in the EU Trans-European Energy Network Programme
- A feasibility study for NABUCCO has been prepared with funding from the EU
- The construction of the pipeline is expected to start in 2010 and to be finished in 2013
- The company leading the project is OMV - Austria







PROJECTS OF PAN-EUROPEAN INTEREST
PROPOSED PRIORITY AXES FOR NATURAL GAS PIPELINES
December 2003



For more information, please visit www.inogate.org

This publication is produced with the assistance of the European Union. The contents of this publication are the sole responsibility of the contractor, EIR/ Hill / G&F Int, and can in no way be taken to reflect the views of the European Union.

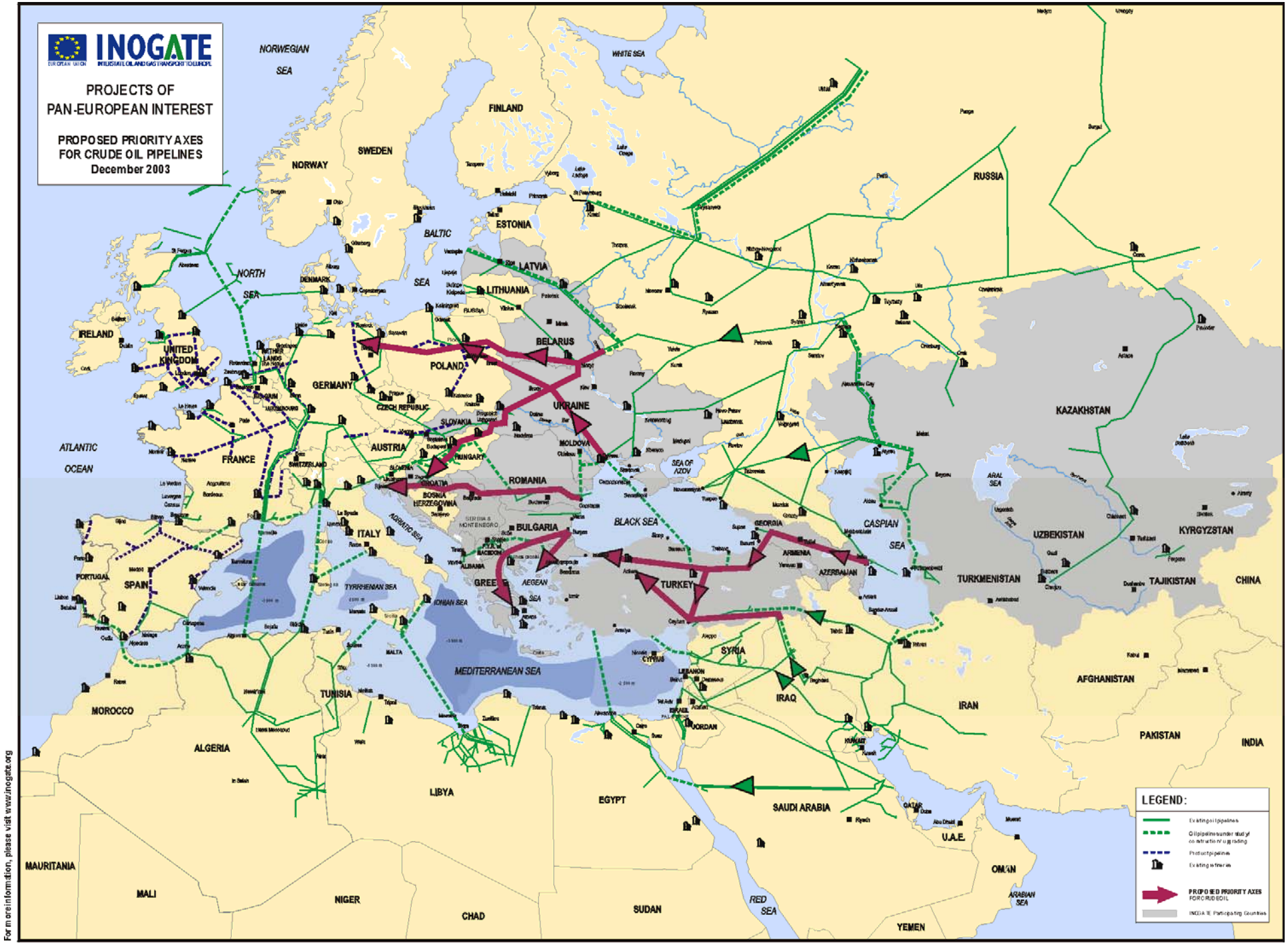
Crude Oil Pipelines

- **Upgrading and enhancing the whole Druzhba pipeline**, in particular across northern Europe as an alternative to increasing maritime oil transportation in the Baltic Sea, and the reversal of the Adria pipeline in Croatia and Hungary.
- **Extending the Odessa-Brody pipeline to Plock** to link into either the Druzhba route or the existing line to the Polish Baltic Sea port of Gdansk.
- **Building a Constanza-Omisalj-Trieste pipeline**, linking Romanian port of Constanta across to Omisalj in Croatia on to Trieste, Italy and supplying oil to the countries transited
- **Building a Burgas-Alexandropoulis pipeline**, linking the Bulgarian Black Sea port of Burgas with the Greek Mediterranean port of Alexandropoulis. Construction of this pipeline would reduce the increasing pressure of maritime oil transport through the Bosphorus.
- **Proposed “Burgas-Vlore” oil pipeline project** (known as the AMBO project), linking the Black sea port of Burgas with the port of Vlore, Albania



PROJECTS OF PAN-EUROPEAN INTEREST

PROPOSED PRIORITY AXES FOR CRUDE OIL PIPELINES
December 2003



LEGEND:

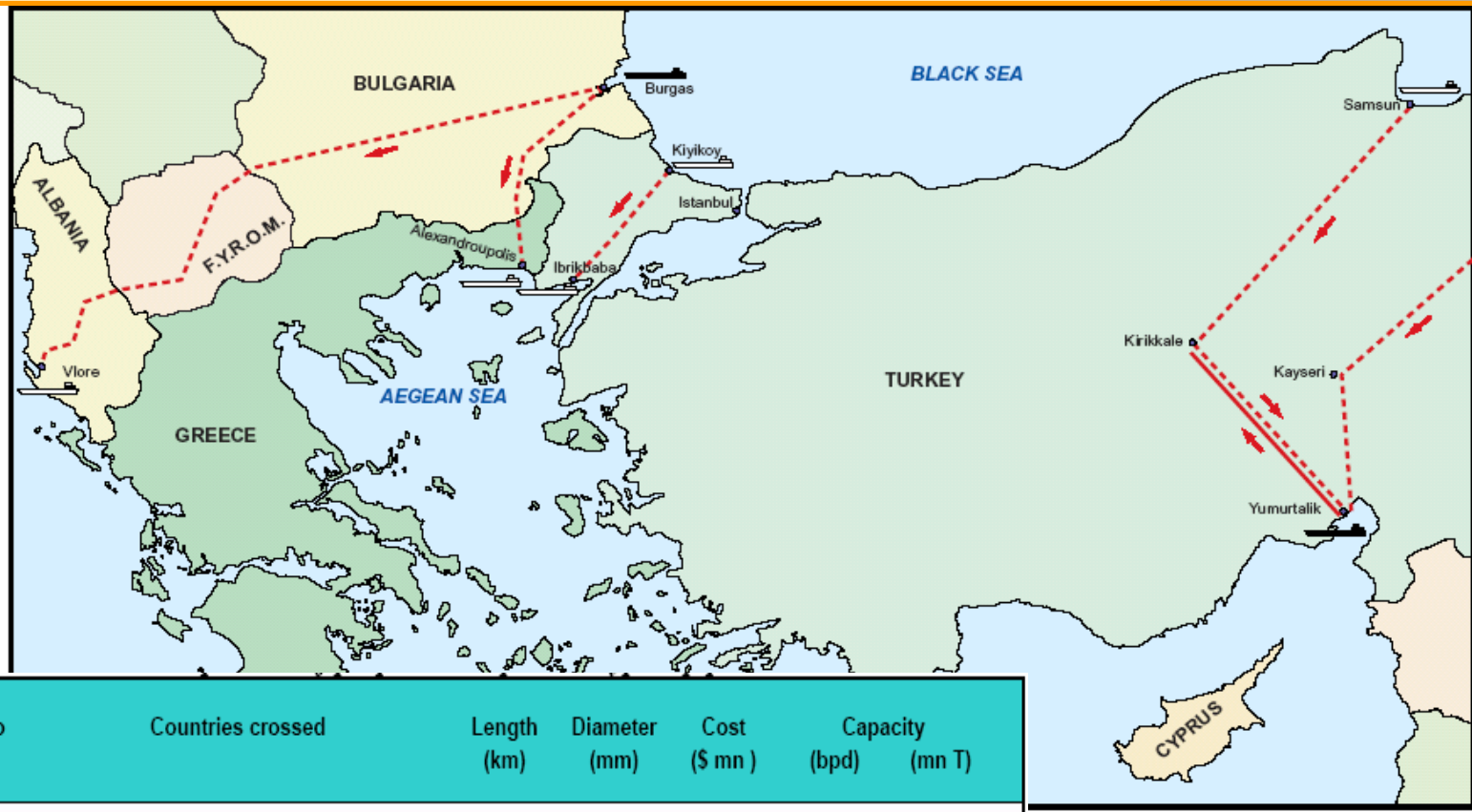
- Existing pipelines
- Pipelines under study or construction / upgrading
- Proposed pipelines
- Existing infrastructure
- PROPOSED PRIORITY AXES FOR CRUDE OIL
- INDIA & Participating Countries

For more information, please visit www.inogate.org

Balkan Oil Transit Projects



Bosphorus Bypass Proposed Routes

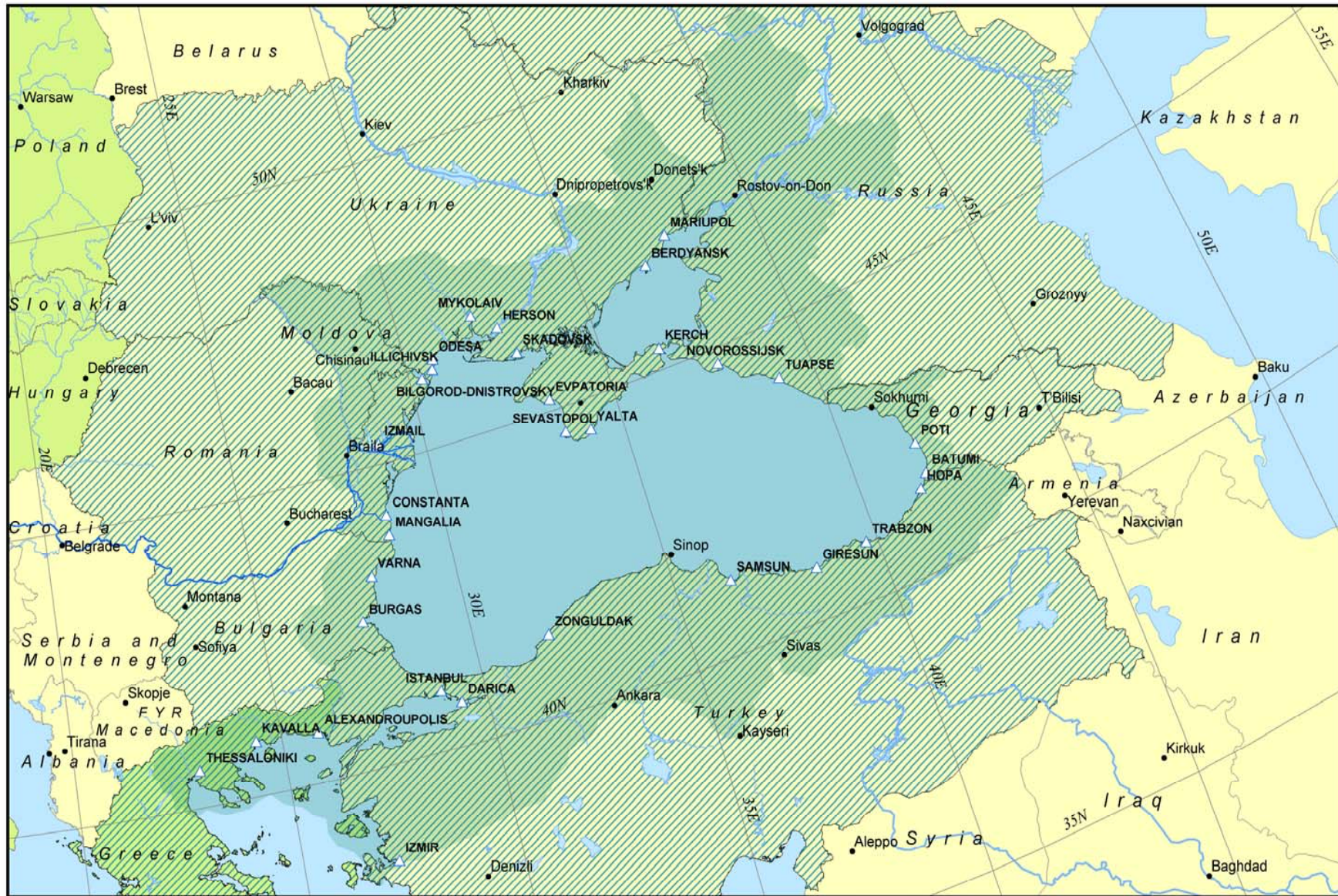


| From | To | Countries crossed | Length (km) | Diameter (mm) | Cost (\$ mn) | Capacity (bpd) | Capacity (mn T) |
|---------|-----------------|---------------------------------|-------------|---------------|--------------|----------------|-----------------|
| Burgas | Vlorë | Bulgaria - F.Y.R.O.M. - Albania | 913 | 915 | 1,130 | 750,000 | 37.5 |
| Burgas | Alexandroupolis | Bulgaria - Greece | 256 | 915 | 700 | 700,000 | 35.0 |
| Samsun | Yumurtalik | Turkey | 510 | n.a. | n.a. | n.a. | n.a. |
| Kiyiköy | Ibrikbaba | Turkey | 193 | n.a. | 913 | 1,200,000 | 60.0 |

Marine Transport in the Black Sea Region (1)

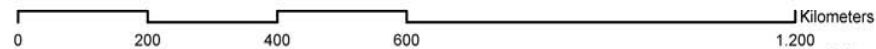
- Six major European transport corridors crossing or adjacent to the region and serving various Black Sea ports are being upgraded
- Shipping across the Black Sea is expected to further expand in the following years under the stimulus of the reopening of the Danube waterway in the West
- The European Union (EU) has allocated \$671m to the western Balkans alone in 2001, aimed at stabilizing the region.
- The return of the rule of law in the Balkans has encouraged growth and improved business prospects for the Black Sea dry bulk cargo trade.





Black Sea Pan-European Transport Area (BS PETrA)

- Black Sea PETrA
- Ports
- Pan-European Corridor VII (Danube)
- BS PETrA Countries
- EU Countries



Scale 1 : 10.000.000

© Copyright 2005 by



JAAKKO PÖYRY INFRA
HB-Verkehrsconsult



Marine Transport in the Black Sea Region (2)

- **The European Investment Bank (EIB)**, has created a special financial instrument for promoting transport infrastructure development in the area:
 - **Loans to Romania** for several big transport infrastructure projects, including:
 - Modernization of Constanta's South Port
 - Rehabilitation of key international road transit links
 - Acquisition of railway track and maintenance equipment



Marine Transport in the Black Sea Region (3)

- **The European Investment Bank (EIB)**, has created a special financial instrument for promoting transport infrastructure development in the area:
 - **Loans to Bulgaria** (some \$800m), mostly for ports, road, rail and airfreight transport:
 - \$42.5m loan for the construction of a the **Vidin – Calafat bridge**, crucial for developing **Europe's Transport Corridor IV**
 - \$100m for building two sections of the **Burgas-Orizovo motorway**, part of **Pan-European Corridor VIII**



Marine Transport in the Black Sea Region (4)

- **Constanza** - planning a massive, \$160m infrastructure development programme
- **Burgas** - freight transport infrastructure reconstruction plan costing some \$392m
- **Varna** - building a new terminals
- **Novorossiysk** - a new \$60m container terminal
- **Batumi** and **Supsa** - bound to emerge as major Black Sea trans-shipment points
- **Poti** - ncreased its capacity to 40m tons
- **Illichivsk, Odessa and Yuzhny** – included in *Freight Transport Infrastructure Building Programme* (\$113m initial investment)



Environmental Risks in Black Sea Region

- **Land-based marine pollution from the five tributary rivers - the Danube, the Dnieper, the Dniester, the Don and the Kuban:**
 - raw sewage from thousands of population centres
 - heavy metals
 - agricultural chemicals leached from half the fields of Europe.

- **Ship-generated pollution:**
 - Some 45,000 tons of oil into the Black Sea every year.
 - Ballast and bilge waters - many Black Sea ports do not have reception facilities.



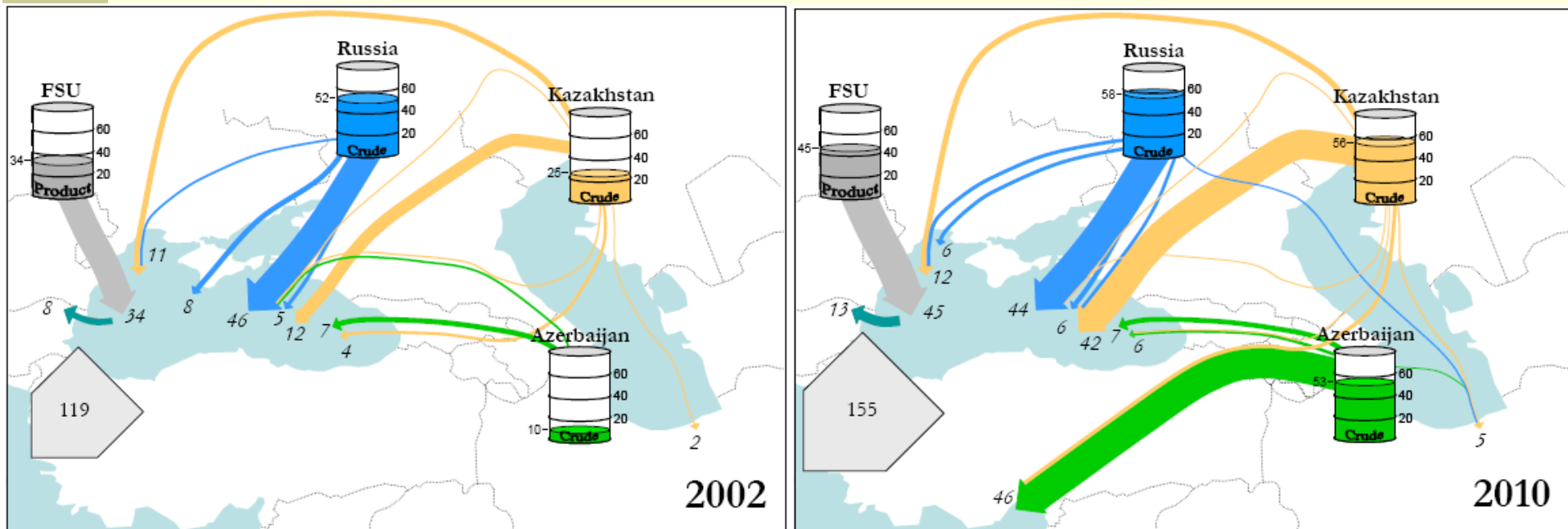
Environmental Risks in Black Sea Region (2)

- Oil and gas production in the sea and infrastructure to export these resources raises the possibility of **accidental spills**
- Rising water levels of the **Caspian Sea** - could flood oil wells, rigs, and reservoirs on the coastline, **spilling into water tables and contaminating drinking water supplies**
- **The Bosphorus Straits** – “a shipping choke” - one of the world's busiest and most difficult to navigate waterways (50,000 vessels annually, including 5,500 oil tankers)



Oil Spills and Emergency Planning

- The Caspian is estimated to hold between **17 billion and 33 billion barrels of oil**
- Kazakhstan's oil production is expected **to double by 2010**
- Russia's production will **grow almost 50 percent**
- Azerbaijan's may **increase fivefold**



Oil Spills and Emergency Planning

- Some **50,000 vessels** a year pass through the narrow Bosphorus and Dardanelles straits.
- About **5,000 of them carry hazardous material (oil and its derivatives)** endangering the safety of more than **12 m people** living near Istanbul and Canakkale.
- Accidents are **frequent**, occasionally **claiming human lives** and often causing significant **environmental damage**



The Black Sea Contingency Plan

- The Contracting Parties under the Bucharest Convention have agreed to adopt the **Black Sea Contingency Plan** for responding promptly and effectively to marine pollution incidents affecting or likely to affect the marine environment
- The Black Sea Contingency Plan includes two volumes:
 - Volume 1: **Response to Oil Spills**
 - Volume 2: **Response to Harmful Substances other than Oil** [to be developed]



Objectives of the BS Contingency Plan

- To **determine the extent of cooperation** between the responsible national authorities
- To **divide the responsibilities**
- To **establish the principles of command and liaison**, and to **define the corresponding structures**
- To **provide arrangements concerning the operation of ships and aircraft** of one of the Contracting Parties, **within the area of responsibility of the other Parties**
- To **specify the type of assistance** which might be provided **and the conditions** under which it will be provided
- To **determine in advance the financial conditions** and **administrative modalities** in case of emergency



OSPRI, Oil Spill Preparedness Regional Initiative (Caspian Sea – Black Sea – Central Eurasia)

- A group of energy companies are implementing a series of actions regarding oil spill preparedness and response through a regional initiative.
- The activities, carried out in support of governments' own efforts, will improve the ability of the region to respond effectively in the event of an oil spill and contribute to the region's environmental protection.

| | Description of best practice | Related OSPRI activity areas |
|--------------------------------|---|---|
| National and Regional Planning | National management systems incorporate the key elements, namely, clear roles and responsibilities, a national plan and a minimum level of oil spill response capability. | Encourage the ratification and implementation of the OPRC Convention and support national workshops with demonstrable follow-up. |
| | National plans clearly identify approved response policies, utilizing a net environmental benefit framework. | Ensure industry input to national planning committees where feasible. |
| | Tiered response is accepted by governments and industry as the most effective approach to oil spill preparedness. | Ensure a proper explanation of the tiered response concept is included in training and workshop events. |
| | Regional cooperation plans are finalized and implemented. | Encourage and support the approval and implementation of Caspian and Black Sea regional plans by States and support workshops to address their operation and use. |



The Bucharest Convention on the Protection of the Black Sea Against Pollution

- The Bucharest Convention was signed in Bucharest in April 1992 and was ratified by all six Black Sea countries in 1994
- Basic objective: *To substantiate the general obligation of the Contracting Parties to prevent, reduce and control the pollution in the Black Sea in order to protect and preserve the marine environment and to provide legal framework for co-operation and concerted actions to fulfil this obligation*
- It is the basic framework of agreement and **three specific Protocols**:
 - *Control of land-based sources of pollution;*
 - *Dumping of waste;*
 - *Joint action in the case of accidents.*



Black Sea Trade and Development Bank

- Eleven countries of the region have established a regional investment bank to finance a coordinated economic development programme for the Black Sea basin
- Its shareholders are Greece, Turkey, Russia, Romania, Ukraine, Bulgaria, Azerbaijan, Armenia, Georgia, Moldova and Albania.
- Among other things, the Black Sea Trade and Development Bank is to safeguard the common marine environment while preparing the region for enormously increased traffic in the 21st century.
- One of the activities, sponsored by the BSTDB is a **Regional Master Plan** intended to reform land-use planning throughout the region and to reduce accidents as well as pollution at sea.



Joint Environmental Initiatives in the Black Sea Region (1)

■ **Lower Delta Green Corridor**

- Environment ministers of the four countries signed an accord in Bucharest, to create the Lower Delta Green Corridor, intended to add some 300,000 hectares to the existing protected area of 773,200 hectares.
- The corridor would encompass wetland, lakes, flooded forests and meadows. More than 80 per cent of the Danube basin's wetlands and floodplains have been destroyed during the past century.

■ **The Black Sea Ecosystem Recovery Project (BSERP)**, developed under the auspices of the GEF International Waters Program, and is implemented by the UNDP

- The project supports the Black Sea regional aspects of the Black Sea Partnership for Nutrient Control and it assists and strengthens the role of the Black Sea Commission
- The BSERP ensures the provision of a suite of harmonised legal and policy instruments for tackling the problem of eutrophication, and release of certain hazardous substances, and to facilitate ecosystem recovery.



Joint Environmental Initiatives in the Black Sea Region (2)

- ***Environmental Collaboration for the Black Sea Project***, launched in the four EECCA countries – Georgia, Moldova, Russia and Ukraine
 - prevention and reduction of pollution to the Black Sea (from river discharges or direct discharges)
 - sustainable management of natural resources and protection of biodiversity of the Black Sea basin.
- ***Agreement on the Conservation of Cetaceans in the Black Sea, Mediterranean Sea and contiguous Atlantic Area***
 - A cooperative tool for the conservation of marine biodiversity in the Mediterranean and Black Seas
 - The purpose of ACCOBAMS is to reduce threats to cetaceans in Mediterranean and Black Sea waters and improve our knowledge of these animals.
 - ACCOBAMS is the first Agreement binding the countries in these two subregions, and enabling them to work together on a matter of general interest.



UNECE

United Nations Economic Commission for Europe

The role of the Espoo Convention on EIA in a Transboundary Context

- Despite the mentioned initiatives, the tendency in the Black Sea region is still for rapid development, creating problems and threats for the environment
- In this picture the Espoo Convention plays a basic role in setting up the framework for environmental protection
- A Guidance document for applying the Convention in the Black Sea Region will help the countries deal with:
 - the differences in their national legislations
 - their specific geographical and cultural differences
 - the differences in their political attitude to the Convention



Thank you!

*Bucharest,
23rd May, 2008*

